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I. ORGANIZATIONAL MATTERS

1. The President, H.E. Mr. Zbigniew Maria Wlosowicz, opened the annual session of the Executive Board. He hoped that the Board would undertake fruitful discussions, despite the complexity and difficulty of some of the issues, and adopt decisions for meaningful and effective development cooperation.

2. He recalled that a number of informal consultations had taken place between the second regular session in April 1995 and the annual session and that the Bureau had met twice.

3. The President informed the Board that the section on item 6 on the role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s would include a wider discussion and exchange of views on the overall programme of UNDP in Africa.

4. The Board was reminded that there would be no high-level segment at the annual session and delegations should thus avoid making statements of a general nature, addressing only the item under which they were speaking.

5. The Secretary of the Executive Board stated that all documentation listed in the provisional agenda (DP/1995/L.3) was available in all official languages. The report of the High-Level Committee on the Review of Technical Cooperation among Developing Countries on the work of its ninth session (DP/1995/L.5), which had been adopted ad referendum at the conclusion of the meeting of the Committee (New York, 30 May-2 June 1995), would be distributed. Under item 8, an additional document, containing the Declaration of Montevideo, adopted on 19 May 1995 by the Directors of the Latin American Economic System (SELA) (DP/1995/59), would also be issued. A conference room paper containing a decision adopted by the Programme and Budget Committee of the Industrial Development Board, transmitted by the Director-General of UNIDO, would also be made available.

6. In response to an informal request from delegations, the Secretary proposed that the Administrator's explanation of line 1.1.2 of table 1 of DP/1995/32 be included in his statement introducing the successor programming arrangements, which would be distributed as a conference room paper in the three working languages. The Board agreed to this procedure.

7. One delegation raised its concern about the lateness of some documents in all languages. The Secretary responded that UNDP and UNFPA had made every effort to meet all deadlines mandated by the Executive Board in order to have documentation available on time in all languages and suggested that the overload in the United Nations Office of Conference and Support Services could not be usefully discussed or solved by the Executive Board.

8. The Executive Board approved the following agenda for its annual session 1995, as contained in document DP/1995/L.3:

Item 1: Organizational matters

Item 2: UNFPA: Report of the Executive Director and programme-level activities

Item 3: UNFPA: country programmes

Item 4: UNFPA/UNDP: Reports to the Economic and Social Council:

Follow-up to General Assembly resolutions 44/211 and 47/199

Follow-up to the International Conference on Population and Development (ICPD)

Follow-up to the World Summit on Social Development

Item 5: UNFPA/UNDP: Harmonization of presentation of budgets and accounts

Item 6: UNDP: Annual report of the Administrator and related matters

Item 7: UNDP: Future of UNDP: Implementation of decision 94/14

Item 8: UNDP: Matters relating to the programming cycles

Item 9: UNIFEM

Item 10: UNDP: Technical cooperation among developing countries

Item 11: United Nations Office for Project Services

Item 12: UNDP: Human Development Report

Item 13: Other matters

9. The Executive Board approved the work plan, contained in document DP/1995/L.3, as orally amended.

10. The Executive Board approved the report of the second regular session 1995 (DP/1995/16).

11. The following dates of future sessions of the Executive Board were approved, ad referendum:

11-15 September 1995	Third regular session 1995
16-19 January 1996	First regular session 1996
25-29 March 1996	Second regular session 1996
10-21 June 1996	Annual session 1996
9-13 September 1996	Third regular session 1996

12. The Executive Board agreed to the subjects to be discussed at these sessions as listed in the annex to decision 95/24. Upon the request of one

delegation, HIV/AIDS was included as item 7 under the UNFPA/UNDP joint segment at the third regular session 1995.

13. The Executive Board approved chapter IV of the report of the UNDP/UNFPA Executive Board annual session 1995 on reports to the Economic and Social Council (DP/1995/L.6/Add.7-9) for transmittal to the Council for review at its substantive session 1995.

14. The Executive Board approved decision 95/24, the overview of decisions adopted by the Executive Board at its annual session 1995.

II. UNFPA: REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-LEVEL ACTIVITIES

A. Annual report of the Executive Director

15. The Executive Director introduced the annual report of UNFPA for 1994 (DP/1995/24 (Part I)). She reviewed selected financial and programme highlights, including information on income levels for 1994 and the projected resource situation for 1995. She emphasized that the Fund had increased its programme delivery considerably in 1994, noting a 50 per cent increase in project expenditure and a substantial increase in the resource utilization rate (from 77.5 per cent in 1993 to 90.6 per cent in 1994). She noted the Fund's commitment to improving the monitoring and evaluation of UNFPA programmes, and underlined the Fund's participation in the United Nations Joint and Co-sponsored Programme on HIV/AIDS.

16. Numerous delegations welcomed the substantive and analytical report. Many noted that the report clearly showed UNFPA participation in the post-ICPD process, as well as its commitment to translating the recommendations of the Programme of Action into actions at the country level. Several delegations noted with satisfaction the technical consultations with the relevant funds and specialized agencies, notably the International Labour Organization, the World Health Organization, the United Nations Educational Scientific and Cultural Organization and the United Nations Children's Fund. Several noted, however, that the regional post-ICPD consultation on Africa seemed to raise numerous questions but did not provide answers. Several others commended the section on Africa as a good analytical model to emulate.

17. A number of delegations welcomed the 20.8 per cent increase in income over that in 1993 and were pleased with the reduction in carry-forwards and the increase in the resource utilization rate. Several delegations noted that it was important for UNFPA to ensure that it had the capacity to manage these increased resource flows effectively. In that regard, a number of delegations welcomed the Fund's efforts to enhance the managerial skills of its staff through training and to increase the use of information technologies to improve databases and management information systems. Many also welcomed the Fund's efforts to strengthen its internal management audit capability.

18. A number of delegations expressed concern at the small decrease in the proportion of allocations to priority countries and sought clarification as to

the reasons for that. One asked if the large carry-forward had distorted the ratio; another asked if the UNFPA intercountry programme had contributed to this decrease. Several others asked why the Fund's distribution of resources did not reflect the fact that over 50 per cent of the Fund's priority countries were in Africa.

19. A number of delegations welcomed the increase in national execution and encouraged the Fund to continue the trend in future. Several asked, however, why the proportion for 1993 was lower than that in 1994. One delegation asked if UNFPA included projects executed by national NGOs in its figures on national execution. Several others asked why the proportion for UNFPA execution was substantial.

20. Several delegations welcomed the open discussion in the document on evaluation. One agreed with the evaluation of the Fund's technical support services/country support team system, which was found to be a major improvement over the previous system of regional advisers. He noted that that kind of review should lay the basis for strengthening the Fund's technical input in designing and implementing country programmes. Several delegations emphasized the need for a results-oriented approach to evaluation; others asked how UNFPA followed up on its evaluations.

21. A number of delegations, citing the findings of the evaluation on the local production of contraceptives, noted that the production of contraceptives locally was one of the most effective ways of helping countries to become self-reliant in the area of contraception. They therefore encouraged UNFPA to continue to support such activities by providing both financial and technical support. One delegation asked if UNFPA should not redefine its role in that area, playing the role of facilitator rather than supporter and bringing together investors from different sectors, including the private sector.

22. The Executive Director thanked delegations for their comments on the report. She agreed that it was important for UNFPA to manage resource flows effectively and to improve monitoring and evaluation. That was one of the main reasons why the Fund planned to establish a programme audit as part of its monitoring system. She further agreed that evaluations should be results-oriented and include both qualitative and quantitative indicators in order to measure programme impact and achievement.

23. The Deputy Executive Director (Programme) explained that the decrease in the proportion allocated to priority countries was due primarily to political instability in a number of these countries. In many cases, the Fund had formulated projects and prepared to implement them but could not because of the political situation in some of the countries. The Executive Director added that the Fund at times had to reallocate resources from countries that were experiencing difficulties to those that were successfully implementing their programmes. She noted that the intercountry programme was not a factor in the decrease in the proportion to priority countries since the figure for priority countries was expressed as a percentage of country programme allocations.

24. The Executive Director stressed that Africa was indeed of particular concern to UNFPA. That could be seen in the dramatic increase in UNFPA

resources, in both absolute and percentage terms, to Africa over the past decade. In 1984, allocations to Africa accounted for less than 19 per cent of the Fund's total allocations and amounted to $25.0 million. In 1994, those figures were, respectively, 31.1 per cent and $86.5 million. The corresponding figures for Asia were 46 per cent and $61.3 million in 1984 and 31.5 per cent and $87.7 million in 1994. Moreover, the Fund's proposed work plan for 1996-1999 projected a substantial average annual increase for Africa over the work plan for 1995-1998, from $53.9 million to $72 million.

25. The Executive Director noted that the questions raised during the regional consultation on Africa provided a good example of the complexity and sensitivity of the issues facing Africa and how to address them. She noted that the dialogue with government officials on these sensitive issues had been an extremely fruitful one and had pointed out the vital role of advocacy in the Africa region. She stressed therefore that the questioning process in and of itself had been a useful exercise.

26. The Executive Director noted that the figures for national execution did in fact include projects executed by national NGOs. She thought it might be useful therefore if in future UNFPA gave the breakdown for execution for national NGOs. She said that there were two reasons for the difference in the percentages between 1993 and 1994. The first was that the figure for 1994 was an allocation and the figure for 1993 was an expenditure. The second was primarily the result of an accounting procedure. She explained that UNFPA execution included a substantial amount of procurement of commodities and equipment for government-executed projects. It therefore was not UNFPA execution per se, but procurement assistance to Governments.

27. With regard to the local production of contraceptives, the Executive Director explained that UNFPA was redefining its role in that area. She said that the Fund did not have the technical capability to provide technical assistance for such activities and thus was in the process of identifying agencies and organizations that could. She said that the Fund would support activities in that area provided they were totally underwritten by Governments and/or other donors, including the private sector.

28. The Executive Board took note of the annual report of the Executive Director for 1994.

B. Programme priorities and future directions

29. In her introduction to the report on programme priorities and future directions of UNFPA in light of the ICPD (document DP/1995/25 and Corr.1), the Executive Director noted that the selection of the programme priorities proposed in the report had taken into account the Fund's experience and comparative advantage and had been guided by the concerns and recommendations of various internal and external evaluations, as well as the comments of Board members. She reiterated the Fund's commitment to work closely with other agencies and organizations within the United Nations system, as well as with bilateral and non-governmental organizations. She briefly reviewed the Fund's operational strategy as well as its strategy for resource allocation. She concluded by

noting the two proposed institutional adjustments that were particularly important to UNFPA: the change in designation of UNFPA Country Directors to UNFPA Representatives; and the establishment of a separate Executive Board for UNFPA.

30. Before opening the floor for discussion, the President of the Executive Board invited the Assistant Administrator of UNDP to make a statement on behalf of the Administrator. The Assistant Administrator informed the Board that the Administrator strongly supported the agreement between UNDP and UNFPA to designate UNFPA Country Directors as UNFPA Representatives. He said the Administrator firmly believed that such action would further strengthen the resident coordinator system at the country level.

31. As suggested by the President, the Executive Board decided to discuss document DP/1995/25 in two parts: programme priorities; and operational strategies, including resource allocation and institutional adjustments.

Summary of the discussion

Programme priorities

32. A total of 30 delegations took the floor during the discussion on UNFPA programme priorities. Most noted that the document was an excellent basis for discussion on UNFPA future programming and its role in the implementation of the ICPD Programme of Action.

33. There was broad-based support among the members of the Executive Board for the UNFPA proposal to concentrate its future funding in three programme areas, namely, reproductive health, including family planning; population policy; and advocacy. Most delegations welcomed the approach and were of the opinion that, with some refining and given the UNFPA comparative advantage, such a shift in policy direction would result in a more strategic focus of UNFPA programming and also strengthen the Fund's ability to assist developing countries in implementing the ICPD Programme of Action.

34. Some delegations raised questions on how the three programme areas would be operationalized. They also sought further elaboration on the different components that would make up the three programme areas. One delegation emphasized that support for the new programme areas should not lead to the marginalization of other important areas of UNFPA work and that a comprehensive approach to the issue of population and development was essential.

35. A number of delegations felt that the document placed too much emphasis on reproductive health, including family planning, at the expense of the other two programme areas. They recommended that UNFPA should be flexible in allocating resources among those three programme areas by taking into account the specific situation and needs of each country.

36. Several delegations emphasized the need to empower women to enable them to become full participants in, and beneficiaries of, population and development efforts. One delegation urged the Fund to cooperate with the United Nations

Development Fund for Women (UNIFEM) on the issue of women's empowerment. Another recommended that the Fund should give priority attention to the empowerment of women and consider this issue as a separate programme area. Yet another encouraged the Fund to support efforts that ensured women's involvement in solving population problems.

37. A number of delegations noted the need for consistency in the use of terminology in the area of reproductive health. They therefore recommended that the Fund use the exact language from the ICPD Programme of Action in that respect, namely, "reproductive health, including family planning". Several delegations also stressed the fact that since family planning was an integral component of reproductive health, it should be dealt with within the context of reproductive health care. One delegation, noting the absence in the document of a comprehensive analysis of UNFPA comparative advantage in the field of reproductive health, asked that it be elaborated on in a revised document.

38. Most delegations generally welcomed the incremental and pragmatic approach towards reproductive health care that built on the system currently in place and took into account the specific situation in each country. One delegation stressed, however, that although the incremental approach was interesting and useful the overall goal should remain a comprehensive approach to reproductive health. Another stressed that family planning and safe motherhood were still main areas for UNFPA assistance and that the concept of reproductive health should be further defined in collaboration with the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF).

39. The importance of monitoring the expenditures in the so-called population package of the ICPD Programme of Action was stressed by one representative. He also encouraged the Fund to support the reproductive health needs of refugees and displaced persons and to collaborate with the Office of the United Nations High Commissioner for Refugees (UNHCR) and other multilateral and non-governmental organizations (NGOs) active in the field. He further suggested that the Fund give greater priority to the development of method-specific information for clients, particularly on the side-effects of various contraceptive methods.

40. In the area of population policy, several delegations felt that the title of the programme area was too narrowly formulated, noting that the development aspects of population were missing in such a formulation. One delegation therefore suggested using "population and development strategies" in place of "population policy". Since research constituted an important activity in all three proposed programme areas, and particularly in the area of population policy, several delegations suggested that UNFPA identify centres of excellence in developing countries to collaborate in, and/or carry out, the necessary research. Also, some delegations recommended that national experts be invited to participate in international training programmes.

41. In the area of advocacy, a number of delegations urged the Fund to be a strong advocate in the areas of reproductive rights, gender equality, women's education, child survival, elimination of harmful practices against women, the role of men, unsafe abortions, and the sexual and reproductive health needs of adolescents. One delegation supported the Fund's proposal to provide assistance

for women's micro-enterprises, but suggested that UNFPA allocate resources only for those initiatives that had a direct link to population programmes. Another delegation recommended that UNFPA use its advocacy role to ensure that all actors involved in the implementation of the Programme of Action assumed their share of the responsibilities.

42. One delegation observed that the document did not adequately describe UNFPA strategy and role in the prevention of HIV/AIDS. Another noted that UNFPA support in the area of HIV/AIDS should be more clearly defined, as should its strategies for integrating HIV/AIDS prevention activities into the Fund's programme.

43. A number of delegations expressed concern about section II of the report on principles. Many felt that UNFPA should endorse the whole set of principles set forth in the ICPD Programme of Action, and in chapter II in particular, rather than single out certain principles as the basis for future UNFPA programming. Some delegations also raised questions about the UNFPA mission statement. Although most welcomed such an initiative, some felt that the Executive Board should be apprised of the statement.

Operational strategies, including resource allocation and institutional adjustments

44. A total of 16 delegations took the floor during the discussion on the proposed operational strategies and a new system for the allocation of resources. Delegations generally supported the development of a new system for resource allocation although a number of delegates expressed reservations. Most felt that more study and discussion were needed before a decision on a new system of resource allocation could be taken. Some feared that the proposal would violate the principle of universality; others expressed concern about the rise in the GNP threshold from $750 to $1,000 in the new system as a criterion for assistance and therefore could not support the proposal. Several delegations noted the importance of refining the proposed approach, based on the relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16.

45. One delegation, supported by others, suggested using adherence to the principles in the ICPD Programme of Action as an additional criterion for resource allocation. Another proposed adding HIV/AIDS prevalence as a criterion. Yet another suggested using the overall literacy rate as an indicator, rather than just female literacy, since both men and women played a role in decision-making regarding family planning.

46. Several delegations felt that any new system should ensure that the bulk of the Fund's resources should be allocated to the least developed countries (LDCs) and to African countries in particular. Others stressed the need to extend temporary assistance to the countries with economies in transition. A number of delegations objected to giving priority to certain regions and suggested that support and assistance should be given to any country in need regardless of the region to which it belonged.

47. Although many delegations underscored the important role of NGOs in the implementation of the ICPD Programme of Action, several expressed concern about the selection of NGOs in implementing population and development programmes. Many felt that such selection should be carried out only in close consultation with Governments. One delegate stressed that the UNFPA guidelines on collaboration with the non-governmental sector should give the Fund greater flexibility in the area. Another noted that UNFPA should identify those NGOs that had a comparative advantage in each of the three programme areas. Others wanted to know about UNFPA plans to involve the private sector in population programmes. One delegation suggested that UNFPA take the lead in developing a global partnership between Governments, NGOs and the private sector.

48. Many delegations underlined the importance of inter-agency collaboration and harmonization at the country level, and welcomed the Fund's initiatives and efforts in that area. Several delegations stressed that efforts to harmonize strategies between the United Nations system and Governments through the country strategy notes (CSNs) was important, emphasizing that such coordination should take place primarily at the country level. They recommended, therefore, that a revised document should clearly spell out the different roles of the actors involved.

49. A large number of delegations expressed their support for designating the UNFPA Country Director as UNFPA Representative, noting that such a measure would greatly enhance the visibility of UNFPA at the country level, strengthen the UNFPA role in inter-agency coordination and strengthen the resident coordinator system. They welcomed the full support in that regard and sought the Executive Director's assurances that such a change in designation would not alter existing arrangements between UNDP and UNFPA in the field or have any budgetary implications. Two delegations expressed serious reservations about such an arrangement, noting that it was not in keeping with the provisions of General Assembly resolutions 47/199 and 48/162. They worried that such a serious institutional change might have long-term financial implications and might have long-term financial implications and might lead to greater fragmentation, rather than greater coherence, of the resident coordinator system.

50. Some delegations voiced their support for the establishment of a separate Executive Board for UNFPA, while others did not find reasons to support such a proposal at that time. Most delegations, however, noted that the upcoming session of the Economic and Social Council was the appropriate forum in which to discuss the issue. Several delegations also spoke on the issue of joining the UNICEF/WHO Joint Committee on Health Policy. While some supported the proposal, most delegations felt that they did not have adequate information on the functioning of the committee to make a decision at that time.

Response of the Administration

51. The Executive Director thanked Executive Board members for their generally positive support for the UNFPA proposals. She agreed that the Fund should be consistent in the use of terminology in the area of reproductive health and assured the Board that UNFPA would adhere to the exact language used in the Programme of Action. She also agreed with the change in designation of t..e second programme area from "population policy" to "population policy in

development strategies". She explained that UNFPA had highlighted certain principles in section II of the report, not because the Fund felt that those principles were more important than the other principles set forth in the Programme of Action, but because they had particular relevance to the work of UNFPA. She pointed out in that regard that the chapeau paragraph in section II of the report clearly stated that all activities in UNFPA-assisted programmes would be undertaken in accordance with the principles and objectives of the Programme of Action.

52. With regard to operationalizing the concept of reproductive health, the Executive Director noted that UNFPA was currently working with WHO and UNICEF in that regard. Moreover, the Fund was reviewing its country programmes to see how such programmes could be adapted to a reproductive health approach. Concerning the proportion of resources earmarked for reproductive health care, the Executive Director stressed that it was a global figure, which was more or less in line with current allocations to family planning and associated information, education and communications activities. She assured Executive Board members that UNFPA would continue to tailor its assistance to the specific needs of individual countries.

53. With regard to the issue of inter-agency collaboration and the comparative advantages of the different United Nations agencies and organizations, particularly in the area of reproductive health, the Executive Director informed the Executive Board of the progress that had been made by the Inter-Agency Task Force on the Implementation of the ICPD Programme of Action. One of the objectives of the task force was to define the comparative advantages of the agencies in the different areas of the Programme of Action. She promised to keep the Board informed on developments in the inter-agency task force and agreed with the suggestion that the Fund's annual report include a section on the implementation of the ICPD Programme of Action.

54. With regard to UNFPA's policy in the area of HIV/AIDS, she reiterated the Fund's strong commitment to the Joint and Co-sponsored Programme on HIV/AIDS, noting that UNFPA had been one of the first organizations to second a staff member to the secretariat of the Programme.

55. With regard to the proposed system for the allocation of resources, the Executive Director admitted that there were limited data available for some of the criteria. It was of utmost importance, therefore, to support initiatives to collect and refine data on such indicators. She said that UNFPA was open to the suggestion to use the $750 figure instead of $1,000 as the threshold for GNP. She reminded Executive Board members, however, that the new system was intended as a proposal and that more analysis was required to elaborate the system. She assured Board members that the Fund would take into account the comments made during the discussion, and said that the Fund would organize informal briefings for Board members before submitting a final proposal to the Board for its approval. The earliest the Fund could expect to submit such a proposal to the Board would be the first regular session 1996.

56. The Executive Director reiterated that UNFPA was fully committed to increasing its allocations to LDCs in general and to African countries in particular. She stressed that the Fund expected the LDCs to benefit most from

the proposed strategy for resource allocation. She also noted that the Fund would continue to provide temporary assistance to countries with economies in transition, as called for in the Programme of Action. She agreed that UNFPA had a major role to play in mobilizing resources, both domestic and external, for population programmes and the implementation of the ICPD Programme of Action and assured Board members that the Fund was committed to the principle of universality.

57. With regard to the issue of designating the UNFPA Country Director as UNFPA Representative, the Executive Director reiterated that such an arrangement would not have any budgetary implications or alter the current arrangements with UNDP at the country level and would be implemented within the context of and fully support the resident coordinator system.

58. The Executive Board adopted the following decisions:

95/15. Programme priorities and future directions of the United Nations Population Fund in the light of the International Conference on Population and Development

The Executive Board

1. Takes note of the report contained in document DP/1995/25 and Corr.1;

2. Requests that the future programme of assistance of the United Nations Population Fund adhere to the principles contained in chapter II of the Programme of Action of the International Conference on Population and Development;

3. Supports the broad outline of the future programme of assistance of the United Nations Population Fund, which must be implemented in full accordance with the Programme of Action of the International Conference on Population and Development;

4. Endorses the core programme areas of reproductive health, including family planning and sexual health; population and development strategies; and advocacy and requests the Executive Director to concentrate United Nations Population Fund assistance within the core areas while stressing that population policies are an integral part of a strategy for sustainable development and the need for the United Nations Population Fund to cooperate with other partners in formulating its strategies;

5. Takes note of the approach proposed for the allocation of resources; invites the Executive Director of the United Nations Population Fund to refine the proposed approach, based on the relevant provisions of the Programme of Action of the International Conference on Population and Development, including paragraphs 14.14, 14.15 and 14.16, as well as on other relevant qualitative and quantitative indicators, and taking fully into account the views expressed by delegations during the present session and the need to give special attention to the least developed countries and Africa; and to report thereon to the Executive Board at its first regular session 1996;

6. Recalls Executive Board decision 95/11 and, in the context of the Joint and Co-sponsored United Nations Programme on HIV/AIDS, stresses the importance of incorporating HIV/AIDS aspects in activities of the United Nations Population Fund;

7. Requests the Executive Director to include reporting on the implementation of the Programme of Action of the International Conference on Population and Development in her annual report to the Executive Board;

8. Also requests that the United Nations Population Fund submit to the Executive Board at its first regular session 1996 a brief background note on the issue of whether the Board should consider becoming a member of the United Nations Children's Fund/World Health Organization Joint Committee on Health Policy;

9. Further requests the Executive Director to submit a draft mission statement for the United Nations Population Fund based on the report contained in document DP/1995/25 and Corr.1, taking fully into account the discussion in the Executive Board, including the comments made on further refinement and definition of the different programme areas and on the use of terminology, and the present decision.

14 June 1995

95/20. United Nations Population Fund: Institutional arrangements

The Executive Board

1. Takes note of the agreement between the United Nations Development Programme and the United Nations Population Fund to designate UNFPA resident country directors as UNFPA representatives;

2. Recommends that the Economic and Social Council, during its operational activities segment, and the General Assembly endorse the agreement on the understanding that the United Nations Population Fund will take measures to enhance cooperation with and active support for resident coordinators for operational activities of the United Nations, bearing in mind General Assembly resolution 47/199 and on the understanding that the agreement will not result in increased administrative expenditure for the United Nations Population Fund.

14 June 1995

C. Work plan and financial implementation of programmes

59. The Deputy Executive Director (Policy and Administration) introduced the work plan for 1996-1999 and request for programme expenditure authority (document DP/1995/26) and the Status of financial implementation of country programmes and projects approved by the Governing Council and the Executive Board (document DP/1995/27). He pointed out that UNFPA income from regular resources in 1994 had increased by 20.8 per cent over that in 1993. He

emphasized that UNFPA not only had spent its 1994 income in full, but had also significantly reduced carry-forwards from 1993 to 1994. He explained that the calculation of income projections contained in the work plan for 1996-1999 was based on the assumption of an annual United States contribution of $55 million and an 8 per cent increase per year in contributions from other donors. Concerning the distribution of programmable resources, he pointed out that the 33 per cent increase in absolute amounts provided to sub-Saharan Africa constituted the only significant change from the 1995-1998 work plan. He also emphasized that UNFPA was on target with regard to the financial implementation of its country programmes, but would need additional resources in order to provide the full amount required for those programmes.

60. Many delegations noted with appreciation the increase in the income of UNFPA and welcomed the improvement in resource utilization in 1994. However, some delegations felt that the carry-forward was still too high and urged UNFPA to take steps to resolve this situation. Several delegations voiced concern about the calculations used for the 1996-1999 income projections, which they considered too optimistic in light of the uncertainty of the contribution of one major donor and recent decreases in development assistance from some major donors. One delegation suggested that UNFPA should more actively pursue non-traditional channels of funding, and another sought information on the financial aspects of South-South cooperation.

61. Several delegations, noting that a greater proportional increase in the share of resources for sub-Saharan Africa would be desirable, recommended revising the regional distribution of resources accordingly before adopting the work plan. Others, however, cautioned against such ad hoc revision of the work plan without careful analysis of the rationale and implications of a different allocation of resources by region. After a brief discussion, Executive Board members agreed that the issue of regional distribution, including the share of resources for Africa, should be reviewed in light of the future resource allocation strategy of UNFPA. The new strategy, which would be discussed by the Board at its first regular session 1996, should then be used as the basis for the next annual work plan. One delegation also suggested that the work plan should be revised to reflect the new programme priorities of UNFPA.

62. Concerning financial implementation, many delegations requested more analysis of the factors which account for variations in the implementation rates of country programmes. Several noted the lower overall implementation rates in African countries and requested explanations for the slow progress.

63. The Deputy Executive Director (Policy and Administration) thanked the Executive Board for the positive comments on the improved resource utilization rate of UNFPA and confirmed that UNFPA would continue its efforts to reduce the carry-forward amounts. He explained that the estimate of an annual 8 per cent increase in donor contributions was derived from the income patterns for the 1985-1994 period, which showed an average 9 per cent increase per year. Thus, UNFPA considered the income projections in the 1996-1999 work plan as realistic. He also emphasized that the work plan, as a rolling plan, was revised annually and submitted to the Board. Thus, adjustments could be made immediately should a drastic shortfall in contributions occur. He further explained that UNFPA was pursuing non-traditional sources of funding, especially in the private sector,

but that results thus far had been marginal. With regard to South-South cooperation, he stated that the relevant financial data were included in UNFPA country and intercountry programmes.

64. In response to questions concerning the allocation of resources by region, the Deputy Executive Director (Policy and Administration) confirmed that the criteria used for the relevant calculations were taken from Governing Council decisions regarding the priority country system and other indicators for allocation, including those regarding programme areas. He stressed that the next work plan would reflect the new resource allocation strategy to be adopted by the Executive Board. Similarly, the new programme priorities would be used once a final decision had been taken by the Board. He reiterated that the increase from $54 million to $72 million per year in absolute terms for assistance to sub-Saharan Africa was considerable. Since a larger proportional share would imply a further redistribution of resources from other regions, such a revision would require the careful consideration of the Board.

65. With regard to the implementation rates, he noted that the present document was intended to provide an overview, as requested by the Governing Council in previous years. However, if desired by the Executive Board, UNFPA would be pleased to include in future work plans an analysis of the factors that determined the implementation rates for the individual country programmes.

66. The Deputy Executive Director (Programme) explained that the unpredictability of income inflows impeded the smooth execution of programmes, which in turn accounted for some of the variation in implementation rates. He noted that UNFPA had undertaken a number of initiatives to increase implementation rates in 1994. These included, among others, abolishing country ceilings, to allow for the full allocation of resources within the approved country programme, and requiring quarterly expenditure reports from all country offices, to enable UNFPA to review expenditure levels and to transfer resources between programmes accordingly.

67. The Executive Board adopted the following decision:

95/16. UNFPA work plan and request for programme expenditure authority

The Executive Board

1. Endorses the Executive Director's programme resource planning proposals set out in paragraphs 7 to 15 of document DP/1995/26, while taking fully into account paragraph 4 of decision 95/15;

2. Approves the request for 1996 programme expenditure authority at a level equal to new programmable resources for 1996, currently estimated at $263 million;

3. Endorses the use of the following estimates of new programmable resources from regular resources for the 1997-1999 period: $280 million for 1997; $298 million for 1988; and $319 million for 1999;

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4. Also endorses the use of the following estimates of new programmable resources from multi-bilateral funding: $15 million per year for the years 1996-1999.

8 June 1995

D. Global Initiative on Contraceptive Requirements

68. The Deputy Executive Director (Technical Services) introduced the status report on the Global Initiative on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s (document DP/1995/24/Part II). He noted that the Global Initiative had completed the work assigned to it in 1991, including the conduct of in-depth studies in 12 countries; publication of reports on the in-depth studies and other technical reports; the development of a contraceptive commodity database; and the development of a follow-up process. He said that a recent consultative group meeting on the Global Initiative had reached general consensus on four points: (a) the work of the Global Initiative should continue and its secretariat institutionalized and made an integral part of UNFPA; (b) the secretariat should conduct a systematic follow-up of activities and assist in organizing and promoting training in logistics management, an area where there was a particular need; (c) the contraceptive commodity database should be further developed to provide a more complete picture of country-level demand and supply, and include information on locally produced and/or commercially available contraceptive commodities; and (d) a global contraceptive commodity facility should be established and managed by UNFPA in order to eliminate discontinuities in the supply of contraceptives and to achieve economies of scale in the procurement of contraceptives.

69. Numerous delegations welcomed the status report and commended the accomplishments of the Global Initiative. Many expressed their strong support for continuing the Global Initiative beyond 1995 and recommended exploring ways to institutionalize the secretariat of the Initiative. In this regard, several delegations recommended integrating the Global Initiative into the overall programme of UNFPA, and eventually making its secretariat a permanent part of UNFPA. One delegation suggested that such action should be reflected in the Fund's budget proposals for the 1996-1997 biennium. A number of delegations commended the work of the UNFPA Procurement Unit and emphasized the need to strengthen the Fund's procurement capability and technical capacity further in this area. Several delegations proposed that UNFPA reappraise its role in helping to safeguard and ensure the supply of contraceptives, and in meeting unmet needs, both for contraceptives and logistics management, including through collaboration with other key players in this field.

70. Several delegations underscored the importance of focusing attention on issues of quality of care and quality assurance, as well as on meeting the contraceptive needs of adolescents, youth and unmarried individuals. A number of delegations emphasized the importance of local production of contraceptive commodities and the need to stimulate local distribution and strengthen local capacity to take over and manage programmes. One delegation emphasized the need to take cultural differences fully into account in the efforts to meet

contraceptive requirements of individual countries, and expressed his country's reservations regarding the availability of contraceptives to adolescents, youth and unmarried individuals.

71. In response to suggestions regarding the continuation of the work of the Global Initiative, UNFPA agreed to submit to the Executive Board at its third regular session 1995 proposals on the continuation of the Global Initiative beyond 1995, in the context of UNFPA's intercountry programme for 1996-1999, as well as on certain options on modalities for a global contraceptive commodity facility. UNFPA also agreed to reappraise its role in the area of contraceptive requirements and logistics management needs and to analyse how best to meet unmet needs in these key areas, including the need for quality assurance. This analysis would be presented in the form of a report to the Executive Board at its first regular session of 1996.

72. The Executive Board adopted the following decision:

95/21. Global Initiative on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s

The Executive Board

1. Takes note of the report on the Global Initiative on Contraceptive Requirements and Logistics Management Needs of Developing Countries in the 1990s contained in document DP/1995/24/Part II;

2. Requests the Executive Director to submit to the Executive Board at its third regular session 1995 a proposal, in the context of the intercountry programme of the United Nations Population Fund, for the continuation of the Global Initiative beyond 1995, including therein an outline of the objectives, modalities and procedures for a possible future global contraceptive arrangement;

3. Also requests the Executive Director to submit to the Executive Board at its first regular session 1996 a report containing a reappraisal of the future role of the United Nations Population Fund in assessing and meeting the unmet needs for contraceptives and the requirements for logistics management.

14 June 1995

E. Measures taken to implement Executive Board decision 94/25: Assistance to Rwanda

73. Numerous delegations expressed appreciation for the UNFPA activities carried out under the ongoing country programme and especially since the national emergency began. Most spoke in favour of the flexibility shown in the activities undertaken to date and of allowing for overall expenditures of up to $7.8 million by the end of the country programme. Several delegations, however,

expressed reservations about the justifications provided for the possible expenditure of up to $800,000 more than had been originally approved for the programme.

74. The Director of the Africa Division explained that given the changes in population profiles resulting from the emergency, an extensive demographic survey would be required, as would greater-than-expected investment in the reproductive health/family planning sector owing to the destruction of infrastructure.

75. The Executive Board adopted the following decision:

95/14. Implementation of decision 94/25: Assistance to Rwanda

The Executive Board

1. Approves the continued implementation of decision 94/25, allowing for flexibility in sectoral expenditure of resources from Rwanda's third country programme resources and for overall expenditures of up to $7.8 million, to enable the United Nations Population Fund to continue to respond to the evolving needs of the Government of Rwanda for reconstruction and development.

8 June 1995

III. UNFPA COUNTRY PROGRAMMES

Request for additional resources for the country programme for Namibia

76. Numerous delegations supported the request for additional resources for the UNFPA country programme for Namibia. Two delegations, however, noted that the funds requested represented a substantial increase over the original amount approved. One delegation, noting that the supplementary resources were being requested for many of the activities that had been part of the country programme approved by the Governing Council at its thirty-ninth session (1992), asked if poor planning and financial mismanagement had contributed to the low implementation of those activities. The other observed that Namibia was not a priority country for UNFPA assistance. He therefore suggested that UNFPA might need to review its criteria for priority countries and/or consider whether Namibia should be a priority country. A third delegation commented on the need to build national capacity and asked that UNFPA give consideration to that need.

77. The representative of Namibia expressed his country's gratitude to UNFPA for its support. Although Namibia was not a priority country for UNFPA assistance, the population of the country was growing at a rapid pace. He said that the objectives of the programme remained valid. He identified adolescent pregnancy and gender insensitivities as major concerns of the Government and stressed the importance of information, education and communication (IEC) activities in that regard. He observed that population factors were integral

components of development and noted that his Government was moving towards elaborating a population policy.

78. The Director of the Africa Division thanked delegations for their support. She noted that the funding level requested for the original country programme had been conservative because Namibia was not a priority country and because the absorptive capacity of the new nation had not yet been demonstrated. She stressed, however, that its needs in the area of population warranted the level of UNFPA assistance requested. Although Namibia had a relatively high per capita income, she observed that a highly skewed income distribution was concealed behind the apparent wealth, with a large majority of the people receiving only a small percentage of the gross domestic product (GDP). She emphasized that the Government was strongly committed to the acceleration of the population programme and that programme implementation was better than anticipated, both substantively and financially - 77 per cent of the approved funds had been expended during the first three years of the programme. Supplementary funds were needed to strengthen the national reproductive health and family planning programme; initiate IEC and gender, population and development activities; formulate a national population policy; develop human resources; and build national capacity.

79. The Deputy Executive Director (Programme) pointed out that the request for additional resources was in keeping with the recommendations of the mid-term review of the country programme and that Namibia seemed an ideal candidate for UNFPA assistance in view of the Executive Board's emphasis on the need to increase resources to the Africa region. Moreover, Namibia clearly needed and wanted UNFPA support and had the capacity to spend effectively the funds allocated to it.

80. The Executive Board approved the request for additional funding authority for the UNFPA country programme for Namibia as contained in document DP/1995/28.

81. The Executive Board took note of the status of the financial implementation of country programmes and projects (DP/1995/27).

IV. UNFPA/UNDP: REPORTS TO THE ECONOMIC AND SOCIAL COUNCIL

A. Follow-up to General Assembly resolutions 44/211 and 47/199

82. In his introduction, the Assistant Administrator and Director of the Bureau for Policy and Programme Support of UNDP outlined a number of policy, programme and administrative measures taken by the organization during the past year to implement General Assembly resolutions 44/211 and 47/199. Action had been taken at two levels: first, individually by UNDP on provisions of the resolutions that had a direct bearing on the work of the organization, such as the programme approach, national execution, decentralization and delegation of authority, common training, and the country strategy note (CSN); and secondly, in conjunction with partner organizations through the Joint Consultative Group on Policy (JCGP) and the Consultative Committee on Programme and Operational Questions (CCPOQ) on aspects of the resolution that had implications for the

United Nations development system as a whole, such as the resident coordinator system, harmonization of programming cycles and common premises and services.

83. The Deputy Executive Director (Programme) of UNFPA, in his introduction, noted the close linkage between the Fund's Programme Review and Strategy Development (PRSD) exercise and the programme approach. He said the PRSD exercise included a comprehensive analysis of the country's population situation and ensured that all those active in the population field in a particular country were consulted during the strategy-development process. The UNFPA technical support services/country support team system was instrumental in the process, providing the necessary technical and analytical guidance at the country level. He noted that the Fund made increasing use of national execution, as well as of national expertise whenever available. Inadequate national capacity and financial reporting were among the problems the Fund had encountered in national execution. The Fund continued efforts to decentralize project approval authority to the field and had extended total programme approval authority, on a trial basis, to 12 countries.

84. Several delegations noted the substantial progress made by both organizations in the implementation of General Assembly resolution 47/199. The common format of the reports was welcomed.

85. The interest shown and work accomplished on the CSN was particularly encouraging. One delegation asked if a common format could be developed for the CSNs. Some speakers, while supporting the principle of the CSN and citing its usefulness as a tool for strengthening the resident coordinator system, sought assurances that its preparation would remain a national choice, as intended by the General Assembly. One delegation questioned its value to countries with low indicative planning figures. Another asked for a progress report on the formulation of the CSN at the country level, as a means of examining the usefulness of the process. UNFPA was asked if the CSN had helped it to integrate population strategies at the country level.

86. Delegations sought specific information on the role of the United Nations Office for Project Services in national execution. With reference to UNFPA, several delegations sought clarification on the role of specialized agencies in national execution following the International Conference on Population and Development (ICPD).

87. Further information was also sought about the use of the resident coordinator system and experience with the programme approach, especially with regard to the underdelivery associated with the mechanism in one country.

88. The efforts of both organizations in decentralization were supported, with some speakers asking for assurances on accountability.

89. The agreement reached by JCGP on widening the pool for resident coordinator appointments was appreciated. It was hoped that contributing organizations would put their best candidates forward. A question was raised as to how organizations contributing to the pool ensured a smooth transition for returning staff.

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90. Other comments related to the prospects for strengthening databases within UNDP for new recipient countries, encouragement of a more strategic role for the Executive Board in the country programming process, noting the action taken by the UNICEF Executive Board in that regard, and a request for a compilation and examination of local costs, including local services.

91. Several delegations noted the lack of reference to monitoring and evaluation in the UNDP document. Moreover, more substantive reporting was asked for the future, particularly with regard to problems faced in implementation of the resolutions, especially at the country level. In order for the Economic and Social Council to provide guidance to UNDP and UNFPA, it was also suggested that in the future, UNDP, UNFPA and UNICEF consider drawing up one common report, perhaps through the JCGP.

92. In response to the points raised, the Assistant Administrator informed the Executive Board that over 40 per cent of resident representatives had worked in other United Nations organizations during their career. He regretted that no special reference was being made to evaluation and monitoring but noted that some progress had been made in terms of harmonization of evaluation and monitoring among United Nations organizations. A detailed account on progress within those fields was included in the report of the Secretary-General to the Economic and Social Council. He also informed the Board about the efforts presently being undertaken within UNDP to develop an efficient information management system, one obvious precondition for a successful decentralization process within the organization.

93. Concerning the role of specialized agencies in support of national execution, the Deputy Executive Director (Programme) of UNFPA explained that the Fund's Technical Support Services/Country Support Team system was the primary vehicle for providing technical assistance at the country level. He said the system was required to use national experts to the extent possible. If such experts were not available, the Fund made use of the expertise available on the UNFPA Country Support Teams, which were made up of specialists from throughout the United Nations system. He said that UNFPA had adopted an incremental approach to decentralization in order to ensure accountability, gradually raising the delegated project approval authority to its current level of $750,000. The Fund monitored the results at each stage to see that accountability had been maintained. UNFPA also relied on mid-term reviews to ensure accountability. The Fund's experience with the CSN had in general been positive and UNFPA was in the process of determining how best to link the programme review and strategy development exercise with the CSN exercise.

94. The Executive Board adopted the following decision:

95/17. UNFPA/UNDP: Reports to the Economic and Social Council: Follow-up to General Assembly resolution 47/199

The Executive Board

1. Transmits the reports from the United Nations Development Programme and the United Nations Population Fund to the Economic and Social Council together with the comments of the Executive Board;

2. Requests the United Nations Development Programme and the United Nations Population Fund to ensure that future reports on the implementation of the triennial policy review address more thoroughly problems and opportunities that have been identified, particularly at the field level, and contain any appropriate recommendations and requests for guidance from the Executive Board;

3. Further requests the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund, together with the Executive Director of the United Nations Children's Fund, to consider producing a common report on the implementation of the triennial policy review for both the UNDP/UNFPA and UNICEF Executive Boards, which should contain both a common section and sections by the United Nations Development Programme, the United Nations Population Fund and the United Nations Children's Fund, respectively.

8 June 1995

B. Follow-up to the International Conference on Population and Development and the World Summit on Social Development

95. The Executive Board decided to hold one discussion on these two sections of the item. Several delegations expressed overall satisfaction with the reports while some asked for more substance and information on problems faced, for which the Economic and Social Council could provide guidance. Others underlined the key role of the General Assembly and Council in defining the responsibilities of the organizations in follow-up to ICPD and the World Summit on Social Development (WSSD). One speaker asked whether there was any duplication between UNDP and UNFPA in the follow-up to ICPD. Discussion specific to UNFPA and UNDP, respectively, follows.

1. United Nations Population Fund

96. The Deputy Executive Director (Technical Services) of UNFPA pointed out in his introduction to document DP/1995/24 (Part III) that one of the primary concerns of UNFPA in the follow-up to ICPD was to adjust its country programmes to bring them better in line with the ICPD Programme of Action. He noted the progress made by the Inter-Agency Task Force on the Implementation of the ICPD Programme of Action and its working groups. He further noted that, as proposed by the Commission on Population and Development at its twenty-eighth session, UNFPA would be responsible for reporting, on an annual basis, on programme experience in implementing the ICPD Programme of Action at the country level.

He reiterated the UNFPA intention to cooperate with non-governmental organizations (NGOs) in the implementation of the ICPD Programme of Action, taking into account the earlier comments made by members of the Executive Board on that issue. With regard to the follow-up to the WSSD, he said that UNFPA was pleased that the WSSD Programme of Action had endorsed the goals of the ICPD. At the international level, the Fund would continue to work to further develop the 20/20 concept, in close collaboration with UNDP and UNICEF and within the framework as adopted in Copenhagen. He pledged UNFPA support for the development of a broad United Nations system-wide framework for the follow-up to all major international conferences and informed the Executive Board of efforts under way in the United Nations system on the issue.

97. Most delegations welcomed UNFPA efforts in the follow-up to ICPD and WSSD, and in particular its coordinating role in the follow-up to ICPD. Many delegations also stressed the importance of inter-agency collaboration and the comparative advantages of each organization in the follow-up to both conferences.

98. On the issue of a separate executive board for UNFPA, several delegations noted that the matter would be further discussed at the Economic and Social Council in June/July 1995. One delegation commented that the report on the follow-up to ICPD did not refer to General Assembly resolution 49/127 on international migration and development. He also questioned the reference in the report on the follow-up to the ICPD to draft document E/CN.9/1995/L.3/Add.1 on the twenty-eighth session of the Commission on Population and Development, noting that the draft document did not properly reflect the provisions spelled out in General Assembly resolution 49/128 on the renaming of the Commission.

99. The Deputy Executive Director (Technical Services) thanked the members of the Executive Board for their constructive comments on the reports. He noted that the lack of substance in the reports was due primarily to problems of timing and planning, but added that the UNFPA report should be read in conjunction with document DP/1995/25 on programme priorities and future directions of UNFPA in light of the ICPD. He expected the reports of the four working groups of the inter-agency task force to be available by the time the Economic and Social Council met in June/July 1995. He informed the Executive Board that a separate report on the implementation of General Assembly resolution 49/127 would be submitted to the Council in June/July 1995, prepared for the Secretary-General by the Department of Economic and Social Information and Policy Analysis. He also reiterated the UNFPA commitment to cooperate fully with the other United Nations agencies and organizations in the follow-up to ICPD and WSSD.

2. United Nations Development Programme

100. The Assistant Administrator and Director of the Bureau for Policy and Programme Support (BPPS), in introducing document DP/1995/30/Add.3, underlined the importance to UNDP inherent in the outcomes of the ICPD and the WSSD and outlined measures that were being taken by UNDP in that regard. He stressed that the three United Nations Conferences - the United Nations Conference on Environment and Development, ICPD and WSSD - provided new insight as regarded

the need for a new approach to development; the need for integration of environmental concerns into economies; the importance of empowering women and of providing education to girls; and the need to rethink conventional models of economic growth so as to pay more attention to the needs of the poor.

101. UNDP had prepared an action plan for ICPD follow-up, he continued, which highlighted its role in helping to move the Cairo outcome into mainstream policy dialogue and to take account of the development implication of population dynamics. Follow-up actions included the following: in-house review of policies and programmes to bring them in line with the recommendations of the ICPD Programme of Action; training and sensitization of UNDP staff on the messages emerging from the Conference; active participation in the ICPD Inter-Agency Task Force; joint agency follow-up initiatives; and articulation of ICPD follow-up with that of other major and recent United Nations conferences. With regard to the follow-up to WSSD, he outlined the explicit responsibilities assigned to UNDP by the WSSD Programme of Action. He emphasized that the work of UNDP would be demand-driven and tailored to local needs. A strategy paper entitled "From poverty to equity", which emphasized the need to make the follow-up to WSSD the organization's main focus, had been sent to all resident representatives. Another paper entitled "Beyond Copenhagen" was also available.

102. With regard to the role of UNDP in follow-up to ICPD, one delegation, on behalf of others, emphasized the need for UNDP to integrate population issues fully into its development strategy, with coordination at the country level through the resident coordinator. UNDP was also asked to cooperate fully with the Population Division of the United Nations Department for Economic and Social Information and Policy Analysis in carrying out the work related to the Commission on Population and Development.

103. One speaker noted that the follow-up to WSSD could be an occasion for UNDP to clarify further its priorities and sharpen its focus. Another commented that UNDP should continue to concentrate on poverty eradication, particularly in helping countries to formulate national strategies against poverty. One delegation suggested that UNDP report back to the Executive Board on follow-up to WSSD at the first regular session of 1996.

104. The Assistant Administrator, in response, said plans for follow-up to the two conferences fitted well into the four focus areas of UNDP and thus would be integrated into existing programmes. He reiterated that the outcomes of both ICPD and WSSD were of vital importance to the future work of UNDP. He explained that document DP/1995/30/Add.3 had been produced well in advance of the Executive Board's annual session and therefore did not include all details of recent action taken, as did the two papers mentioned above. However, supplementary materials were now available to delegations. In his view, UNDP had a specific comparative advantage in the follow-up to WSSD in view of its mandate for sustainable human development and intersectoral focus, particularly in providing support for the creation of macroeconomic frameworks, governance, national strategies for poverty eradication, government participatory mechanisms, credit schemes, and sustainable livelihoods. In response to a request for further information about the inter-agency task forces referred to in the report, he explained that the Secretary-General would introduce the proposal at the substantive session of the Economic and Social Council for 1995

during the coordination segment since it was part of his own report, to which UNDP had given inputs.

105. The Executive Board took note of sections II and III of the reports to the Economic and Social Council (DP/1995/24/Part III and DP/1995/30/Add.3) and transmitted them, together with the comments of the Board, to the Economic and Social Council.

V. UNFPA/UNDP: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

106. The Assistant Administrator and Director of the Bureau for Finance and Administration of UNDP introduced the item on behalf of UNFPA and UNDP. He informed the Board that there was progress with regard to harmonization of financial statements under the auspices of the Consultative Committee on Administrative Questions (Finance and Budget) (CCAQ (FB)), with a third and last working group meeting scheduled for late June 1995. Consultations among UNDP, UNFPA and UNICEF on the harmonization of budgets were under way, with a preliminary review on the identification of differences among existing budget presentations already completed. He explained that the outcome of the proposals in response to the management study of UNICEF to be submitted to the UNICEF Executive Board at its third regular session of 1995, in particular with reference to the recommendations to integrate programme and administrative budgets for UNICEF country offices, would affect the joint UNDP/UNFPA/UNICEF exercise, including the time frame. The Assistant Administrator stated that regular progress reports on harmonization of budgets would be made available to the Board and suggested that a further review take place at the first regular session 1996.

107. One delegation noted the good progress made in the development of common accounting standards for the organizations of the United Nations system and suggested measures, later supported by another delegation, for enhanced harmonization of budgets and accounts: (a) similar terminology in distinguishing among core, programme support and extrabudgetary costs; (b) similar definitions in determining overhead costs; (c) easy-to-find information on the number of all posts; (d) common treatment of income from all sources; (e) presentation of biennial budget expenditures on an object of expenditure basis; (f) similar sequence in all three budget documents, with information in a tabular form; and (g) development of a prototype budget document for use by all three agencies.

108. One delegation, supported by others, expressed deep concern about the lack of substance in the report, underlining the need to know what had happened at the meetings cited, particularly in light of the reporting requirement specified by the General Assembly in resolution 49/216 (e). That delegation, whose State Auditors had visited the three organizations, also stated that it would be helpful to know the direction that would be taken following the joint review, questioned the need for an outside consultant given in-house expertise, and noted that the report had not been transmitted to the Executive Board and to the Economic and Social Council through the Advisory Committee on Administrative and Budgetary Questions (ACABQ) as requested by the General Assembly in its

resolution. The importance of harmonized budgets to both donor and recipient countries was emphasized, with concern expressed that varying administrative budgets made it difficult to determine where funds were being utilized. One delegation said the absence of a more comprehensive report was particularly regrettable in light of the upcoming triennial policy review and requested that intersessional briefings be held on harmonization matters.

109. The Assistant Administrator responded that efforts had been made to keep the document brief and succinct. In response to a question, he explained that it would make good sense to take into account the outcome of the discussion on the UNICEF management review by the UNICEF Executive Board, as issues raised in the review would also impact on the potential to harmonize budget presentations. UNICEF was developing proposals in response to a specific request by its Board for review in September.

110. The Assistant Administrator referred to a past statement made by the Chairman of ACABQ to the General Assembly, in which he recognized that the specific budget presentations depended on the structure, size, procedures of legislative bodies, and nature of its programme. He also indicated that, while similarities existed among the United Nations, UNDP and UNFPA, there were many dissimilarities, in particular with UNICEF, which rendered the harmonization exercise even more difficult.

111. Concurrently, the Assistant Administrator requested some understanding for the fact that UNDP has been heavily involved in a major downsizing effort, which would be elaborated at the third regular session of the Executive Board during the review of the biennial budget proposals for 1996-1997.

112. The Assistant Administrator also emphasized that the prime objective in preparing a budget should be to set forth the budgets in a manner which was clear and transparent to the governing body concerned. In that regard, he pointed out that UNDP had made considerable effort to improve the presentation and transparency of its budgets. This had been acknowledged by the Executive Board in past sessions.

113. Under the circumstances, the Assistant Administrator indicated that it was not realistic for UNDP and UNFPA to report to the Economic and Social Council at its forthcoming meeting on additional progress on the status of the harmonization exercise with regard to budget presentations.

114. The Executive Board took note of the report on the harmonization of presentation of budgets and accounts with the comments made therein (DP/1995/29).

VI. UNDP: ANNUAL REPORT OF THE ADMINISTRATOR AND RELATED MATTERS AND THE FUTURE OF UNDP

A. Annual report and the future of UNDP

115. The Administrator introduced the annual report of the Administrator for 1994 (DP/1995/30 and DP/1995/30 Add.1-5) and the report on the future of UNDP: Implementation of decision 94/14 (DP/1995/31). The reports were considered together in the discussion.

116. In his statement, the Administrator outlined the measures undertaken by UNDP during the past year to fulfil the mandate given by the Executive Board when it approved decision 94/14 on the future of UNDP. He elaborated on steps taken in: reshaping the basic mission of UNDP; implementation of the new mandate; consolidation of leadership under the resident coordinator; personnel matters; restructuring of headquarters units; overhauling the processes of allocating core resources; building alliances with other parts of the United Nations system; resource mobilization; and strengthening management and accountability.

117. Further, he explained the nature of the two tracks UNDP was working on to accelerate the follow-up to decision 94/14, including harmonization of the new programming framework and sharpening the focus of UNDP for greater effectiveness, efficiency and service to programme countries. He noted some constraints faced by the organization in attaining further focus: the diversity of programme countries served and the possible loss of the holistic, intersectoral and integrative approach of UNDP. He announced his intention to launch a process of consultations in New York and at the regional level aimed at presenting the Board at its annual session 1996 with a more definitive outline of the longer-term programme focus for UNDP.

118. Speakers thanked the Administrator for his statement and for the reports before the Executive Board and some asked for an annual report that would identify problems and obstacles faced in addition to successes.

119. Several delegations emphasized the need for the goals and focuses of UNDP to be clearly implemented at the country level. However, country offices must exercise flexibility in their interpretation of those objectives. They should not be scattered over too many areas and controversial sectors should be avoided. One delegation urged UNDP to develop an overall vision that would draw together all the elements of its work and would include the Administrator's proposal for an overall mission statement and objectives to be pursued by UNDP. Others asked for more strategic work in defining the future of UNDP. The need for UNDP to remain universal and neutral was stressed by some speakers. One delegation noted the decline in delivery in Africa during 1994.

120. The Administrator was invited to give further views on the relevance of the function and significance of UNDP as a coordinating institution. Many delegations spoke in favour of strengthening the resident coordinator system. Further information was sought on the role of the Administrator in assisting the Secretary-General on the coordination of the economic and social sectors of the United Nations.

121. Delegations supported the Administrator's intention to hold consultations to determine concrete directives for the future of UNDP as early as possible.

122. One speaker asked for a common set of indicators and a data base for use in monitoring goals and objectives. Progress in moving the agenda of UNDP forward was sought, in particular in relation to meeting development goals. It was necessary to know how goals would be met and focus areas fulfilled. Benchmarks and indicators for success would be useful in evaluating the success in implementing the Administrator's "Initiatives for change".

123. One delegation offered eight points for consideration in determining the future direction of UNDP: assuring an increase in key resources by the beginning of the next programming cycle; strict adherence to increased resources to low-income countries, particularly LDCs; a country-driven programming process; country ownership; further increased transparency and accountability; adherence to rules and regulations in the United Nations system; improved performance through transparent monitoring and evaluation; and greater inclusion of recipient countries in the planning process.

124. Several delegations asked for specific delineation of the comparative advantage of UNDP with reference to the international financial institutions.

125. Two delegations noted the increase in contribution to UNDP core resources by their Governments and appealed to others to follow suit. Two delegations, in referring to paragraph 95 of document DP/1995/31, questioned the emphasis on mobilization of non-core resources. In their view, non-core emphasis threatened the focus of UNDP on poverty and the Executive Board did not have an oversight role in non-core funding. One speaker underlined that almost half of the cost-sharing in his region was utilized for social reform, a factor that should be taken into account when looking at the funding mechanism.

126. The country strategy note (CSN) enabled better coordination at the country level. Joint inter-agency programmes such as the United Nations Joint and Co-sponsored Programme on HIV/AIDS were also important initiatives to improve coordination in the United Nations system. South-South cooperation and technical cooperation among developing countries (TCDC) were also meaningful to development cooperation. Cooperation among regions and countries was key to those countries with newly established country offices.

127. UNDP assistance to countries with economies in transition was appreciated, in particular in the strengthening of market mechanisms. In that regard, regional programmes were a good supplement to the country programmes in governance and participation. The UNDP Regional Directorate for Europe and the Commonwealth of Independent States needed strengthening in terms of equalized status with the regional bureaux, and the need to strengthen country representation was also noted.

128. A few delegations said questions remained about the exact definition of sustainable human development. Others asked about the UNDP role in the United Nations Joint and Co-sponsored Programme on HIV/AIDS. One delegation requested that sustainable food security be added to the areas of UNDP focus. Another

delegation asked that equitable treatment across regions be assured with respect to expected staff cuts at UNDP.

129. In response, the Administrator noted that the corporate plan distributed that day to the Executive Board provided indicators and means to assess the progress of UNDP in meeting its goals during the subsequent year. The goals for 1995 elaborated in the corporate plan reflected the institutionalization of the framework agreed to by the Board in its decision 94/14. The programme impact performance assessment and the integrated programme management initiative were being set up as tools to aid in measuring success. He emphasized the progress in bringing the United Nations system together, especially in the follow-up to international conferences, which was being carried out through inter-agency mechanisms with goal-driven agendas to provide a coordinated approach at the country level.

130. The Administrator assured the Executive Board that there had been no shifting away from emphasis on core funding. He would welcome an informal meeting on the corporate plan as well as discussions on core versus non-core funding. As there were many types of non-core resources, the funding mechanism deserved scrutiny.

131. The Executive Board adopted the following decision:

95/22. Future of the United Nations Development Programme: Initiatives for change

The Executive Board

1. Notes the progress that has been made following its decision 94/14;

2. Welcomes the process of consultation mentioned by the Administrator in his statement on 13 June 1995 in view of further clarifying and refining the role of the United Nations Development Programme in the light of the Initiatives for change, and requests the Administrator to report to the Executive Board;

3. Urges the United Nations Development Programme through the Initiatives for change process, in the framework of the goals and priority areas supported by the Board in decision 94/14 and given poverty elimination as the overriding priority in the programmes of the United Nations Development Programme, to concentrate on areas where it has demonstrable comparative advantage, in particular capacity-building in the most needed regions and countries, in particular the least developed countries, especially in Africa;

4. Takes note of the elaboration of a strategic plan as a means of enhancing the management of the United Nations Development Programme and making operational the Initiatives for change and looks forward to presentation to the Executive Board at its first meeting in 1996, in preparation for final decision at the annual meeting in 1996, of a further elaborated concise version, including, inter alia, the following elements:

(a) A concise mission statement drawing together all the essential functions of the United Nations Development Programme in the light of the goals and priority areas in decision 94/14;

(b) A clear hierarchy of operational objectives designed to translate the mission of the United Nations Development Programme into action;

(c) A comprehensive action plan, incorporating time-bound indicators of achievement and a system for reporting progress regularly to the Executive Board.

16 June 1995

B. Related matters: the role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

132. The Assistant Administrator and Regional Director of the Regional Bureau for Africa introduced the report on the role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF) (DP/1995/35). She outlined the elements of the programme, citing the commitments of both African countries and their development partners. Results to date had been mixed. Africa had not yet been able to move towards achieving the accelerated transformation, integration, diversification and growth envisaged by the compact. She noted that the international community had not yet met the goals of a $75 million diversification fund. The Assistant Administrator also outlined UNDP work in Africa in the fields of poverty elimination, HIV/AIDS, environmental protection and food security, as well as UNDP involvement in international initiatives and conferences relating to furthering economic development in Africa.

133. Several delegations emphasized that while some overall progress had been seen, there was an urgent need to support development efforts in Africa, particularly in those countries classified as least developed countries (LDCs). France, on behalf of the European Union, underlined the priority accorded to Africa, which received one half of the Union's development assistance. Support was expressed for the work of the United Nations and the UNDP Regional Bureau for Africa, especially through the resident coordinator system. With reference to UN-NADAF, delegations underlined the important role of UNDP in capacity development, policy formulation, and in good governance and popular participation. It was essential for programmes to be effective and relevant. UNDP was urged to maintain a country-driven approach, keeping in mind the priorities of recipient countries.

134. Many speakers referred to the urgent need to increase resource flows to the region, especially in support of national strategies. One delegation asked about the possibilities for enhancing the mobilization of non-core resources. Delegations highlighted the importance of strengthening institutional capacities, improved governance, human resource development, work in rural areas, private sector development, South-South cooperation, training, and encouragement of the participation of non-governmental organizations, with some

speakers elaborating on initiatives undertaken by their own Governments. The negative effects of debt-servicing remained a serious problem for African countries, with more debt relief needed. Disadvantages in international trade and drought and desertification also remained specific problems for the region.

135. The Assistant Administrator thanked the Executive Board for its positive comments and suggestions and support for the work of the UNDP Regional Bureau for Africa. She informed the Board that the Panel of High-Level Personalities on African Development offered advice on the implementation of UN-NADAF, and would also provide inputs to various initiatives, such as that of the Secretary-General through the Administrative Committee on Coordination. She cited three reasons for the sharp decline in expenditures in Africa during the fifth programming cycle: (a) a high level of expenditure shown for the first year, owing to the practice of front-loading and borrowing against the next programming cycle, which had to be compensated for in 1994 in the context of a reduced indicative planning figure (IPF); (b) the change of UNDP focus to sustainable human development through the programme approach entailed lengthy design and formulation process; and (c) severe circumstances and lack of capacity in some countries.

136. The Assistant Administrator outlined the support UNDP provided to 26 countries in the area of governance. UNDP would participate in the high-level segment of the Economic and Social Council on the development of Africa, including the implementation of UN-NADAF, and had contributed to the report prepared for the session by the United Nations Department for Policy Coordination and Sustainable Development. A good understanding had been reached between UNDP and the World Bank and the International Monetary Fund regarding the respective activities of the three organizations in Africa. In 1995, five round-table conferences had been held, including a highly successful one for Rwanda, in which over $600 million had been pledged. National human development reports were under preparation in several African countries.

137. The UNDP Resident Representative in Zaire noted the involvement of UNDP in the preparation of country strategy notes (CSNs) in 15 African countries, a useful tool for strengthening the resident coordinator system.

138. The UNDP Resident Representative in Senegal outlined the resource mobilization strategy undertaken in that country. It included UNDP focus on the development of national strategies primarily in the areas of poverty elimination and capacity-building for economic development management.

139. The Resident Representative in Rwanda gave an overview of UNDP assistance to the devastated public sector in Rwanda following the events of 1994. Massive efforts were needed to restore national capacity, including rehabilitation of public buildings and the public service system, and training of civil service. He thanked donors who had contributed to the Trust Fund for Rwanda.

140. The Resident Representative in Uganda said that country-specific experience in the programme approach had been utilized in that country. Results of a recent review of all ongoing projects was a clustering of projects which had the same objectives and a plan to create a common training programme for their

personnel. Clear entry points for external assistance needed to be identified, an area where the CSN could be a useful tool.

141. The Executive Board took note of the report of the Administrator on the role of the United Nations Development Programme in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (DP/1995/35).

VII. UNDP: MATTERS RELATING TO THE PROGRAMMING CYCLES

Successor Programming Arrangements

Introduction

142. The Administrator introduced the item, restating the case for change, and emphasizing the absolute necessity for UNDP to respond to the current environment for development cooperation. He indicated that UNDP was seeking flexibility that would benefit programme countries by enhancing the quality and focus of UNDP-supported activities, in line with decision 94/14 and national priorities, and also by providing incentives for greater resource mobilization. The level of flexibility would still fall short of that exercised by other development programmes, but would maintain the high degree of progressivity in UNDP resources that flow to low-income and least developed countries.

143. In his statement, made available in conference room paper DP/1995/CRP.4 in English, French and Spanish, the Administrator also responded to queries raised at the informal session held on the item in May 1995. In recalling the basic principles of the three-tier target for resource assignment from the core (TRAC) scheme, the Administrator emphasized that the basic objective was to achieve a sustainable human development (SHD) orientation in programming, and not to distort resource distribution. To ensure that all programme countries continued to receive an equitable share of resources, UNDP would indeed focus attention precisely on those countries where capacity-building needs were greatest.

144. The Administrator gave his assurance that transparent procedures and criteria would be used for flexible assignment of resources. No separate mechanism would be established to assign resources from the second TRAC line. Rather, the existing procedures for translating an approved cooperation framework (country programme) into actual support would be strengthened and streamlined: this would allow the Administrator to exercise better his oversight responsibilities, enhance decentralization of project approval authority to the country level, and also strengthen mechanisms to ensure that UNDP provided the necessary substantive support to countries for the formulation of high-quality programmes.

145. To that end, a periodic management review for each programme country would be conducted in close consultation with the Government concerned. The review would consider the status of current and planned programmes and the capacity-building support UNDP needed to provide. The review would also examine the status of the resource mobilization target. Resources from line 1.1.1 would be assigned according to the agreed methodology, and additional resources could be

assigned from line 1.1.2 up to an amount roughly comparable to the 1.1.1 level, bearing in mind that, given the availability of good programmes, those resources were intended to provide incentives to improve programme quality in line with decision 94/14. The assignment would be based primarily on the criteria set out in paragraph 38 of document DP/1995/32.

146. In addition, resident representatives, under their delegated authority, would continue to approve programmes and projects in line with the approved cooperation framework and the programming proposals endorsed by the periodic review. In doing so, they were obliged to adhere to the rigorous appraisal criteria for UNDP activities.

147. The Administrator explained that the new system would enable UNDP to embark on a period of new and dynamic SHD programming that would advance the preparations that had already begun in many countries. In closing, the Administrator hoped that he had been able to alleviate any uncertainties about the system, noting that the Executive Board would have an interim report on the experience with the new arrangements in June 1996, and a full-scale review in June 1997 - i.e., in the first year of the next programming period.

Discussion

148. Delegates expressed their appreciation for the series of five documents prepared on the subject over the previous year and noted the helpful clarifications provided in the current document (DP/1995/32), and the Administrator's statement (DP/1995/CRP.4).

149. While reaffirming the basic principles underlying UNDP development cooperation activities (inter alia, the voluntary grant nature of the programme, universality, national ownership, progressivity, transparency) the majority of speakers acknowledged that UNDP must change to serve the needs of developing countries better. Many speakers noted that considerable reforms were required for UNDP to be able to fulfil the programming objectives specified under decision 94/14.

150. Most delegations agreed that it was necessary to introduce a degree of flexibility to the current programming arrangements to help to enhance programme quality and focus and provide an incentive for resource mobilization. However, several delegations felt that the current indicative planning figure (IPF) system could not be held responsible for disappointing core resource levels, and that greater financial commitment was needed from donors. They pointed out that the changes proposed were not linked to any commitments to increased funding. One delegation stressed that UNDP funding represented a small but critical portion of overall development resources, and must, therefore, be used in a catalytic fashion.

151. A number of speakers expressed concern about the impact of the proposed flexibility arrangements on programme countries, particularly those where capacity for programme formulation was lacking, noting for instance, that lack of resource predictability could inhibit long-term planning and place undue burdens on Governments, and affect the neutrality of UNDP.

152. A number of countries encouraged the Administrator to explore non-traditional sources of funding (inter alia, non-State partners, regional economic integration organizations, private foundations, funds, international NGOs and affinity credit card arrangements) in order to enhance the ability of UNDP to respond to the goals and priorities of the programme.

153. While speakers were appreciative of the clarifications the Administrator had provided about the operation of the TRAC scheme and procedures for allocating resources from line 1.1.2, many also felt that the criteria and procedures needed to be set out more precisely. The Administrator clarified that UNDP intended to help countries benefit from the second TRAC tier by providing access to the various capacities available within UNDP and the agencies, using various allocations available for that purpose.

154. During the discussion the Administrator also clarified that the programming emphasis on the enabling environment required for poverty elimination supported the first commitment of the World Summit for Social Development (WSSD), which focused on creating an economic, political, social, cultural and legal environment that will enable people to achieve social development.

155. Many members expressed their support for line 1.1.3 and its application for preventive and curative development. The Administrator responded to the questions about how allocation would be implemented in line with greater SHD focus and how it complemented the work of other United Nations system organizations.

156. A number of countries expressed their views on the relative resource allocation shares shown in table 1 of document DP/1995/32. Many countries were pleased to see the increased allocation for technical cooperation among developing countries (TCDC) activities and some delegations emphasized the importance of maintaining an increase for evaluation in line 1.4. Some countries felt that the 55 per cent share for country-level resources should be increased, perhaps through a reduction of the shares for lines 1.2 and 1.3 (regional and intercountry/global programmes). Several countries, however, reiterated their support for an increase in the allocation for regional programmes and one speaker suggested that criteria such as numbers of countries in the region and their special needs be considered in allocating those resources among regions. One delegation obtained confirmation from the Administrator that resources from budget line 1.3 (global, interregional and special activities) would be allocated to the Energy and Atmosphere Programme of the Bureau for Policy and Programme Support's Sustainable Energy and Environment Division to support its activities which relate to the energy policies of, mitigation/adaptation to climate change in, and socio-economic development and other environmental problems of developing countries. Varying views were expressed on the request from the United Nations Industrial Development Organization (UNIDO) for the ad hoc support in 1997 to the UNIDO Country Director programme.

157. Most countries agreed that UNDP should reflect a strong poverty orientation and therefore a high degree of progressivity in its overall resource distribution. One delegation proposed a minimum 88 per cent of resources flow to low-income countries and 58 per cent to least developed countries. It was

suggested that the degree of progressivity be measured taking into account all three TRAC lines, recognizing that line 1.1.3 resources would likely flow to such categories of countries. Many also noted that progressivity should not jeopardize the basic principle of universality. In that connection, there were differing views expressed on the proposed increase in graduation thresholds. In addition, several speakers noted that a minimum critical mass of support would be necessary for small countries, particularly small island developing countries.

158. Many delegations raised concerns about the relative share of resources flowing to different regions. Country representatives in the Latin America and Caribbean region were concerned that their share of resources had been steadily declining over the cycles, despite the statistics on poverty and taking into account that funds had been used very effectively in the past for high-leverage activities. Many speakers pointed out the inequities that arose from the application of the floor concept (which guaranteed countries a certain percentage of their IPF from the previous cycle). It was suggested that alternate solutions be sought to moderate the impact of the floor on certain groups of countries, particularly new recipient countries in the Europe and the Commonwealth of Independent States region. A number of speakers from countries in that region requested clarification of the change of data used in calculating resource distribution in the two most recent documents.

159. Concerning the question of independence bonuses for new programme countries, the Chairman of the informal working group pointed out that the issue related to the fifth cycle and stated that the Administrator would be requested to look into the matter and bring his proposals to the third regular session 1995 of the Executive Board. For that purpose, the secretariat would consult with the concerned countries as necessary.

160. Following the general deliberations, extended informal discussions and working group sessions were held to review the draft decision (DP/1995/L.7) prepared by the chairman of the informal group, Mr. R. Carlos Sersale di Cerisano (Argentina), in consultation with several delegations. An important area considered by the working group was a set of procedures for the management of programme resources by UNDP, which was prepared by the representative of one observer mission, as presented below. It was agreed that the procedures would be further refined and elaborated by UNDP and presented to the Executive Board at its first regular session in 1996.

INITIAL ARRANGEMENTS FOR UNDP MANAGEMENT OF PROGRAMME RESOURCES

The suggested procedures set out below for UNDP management of programme resources are recommended for refinement and elaboration by UNDP for presentation to the Executive Board.

	A. Planning phase	Action by
A.1	Formulation of country cooperation framework (CCF) - overall priorities and programme areas - indication of potential pool of funds (under lines 1.1.1 and 1.1.2 of table contained in decision 95/23 below and supplementary)	Government and resident representative
A.2	Approval of CCF	Executive Board
A.3	Elaboration of CCF into programme/project outlines to be supported by UNDP - programme project descriptions - financial aspects (and other resource issues)	Government and resident representative
A.4	Approval of proposed programme/project outlines (N.B. Total or partial)*	UNDP headquarters
	B. Implementation phase	
B.1	Country advised of outcome of UNDP headquarters approval; funds assigned; authority and delegated to country offices to finalize, approve and implement	UNDP headquarters
B.2	Detailed design of programme/project activities finalized and approved	Government and resident representative
B.3	Programme/project activities implemented	Government and resident representative
B.4	Periodic programme management review - to assess progress in achieving objectives - to identify additional support required to continue formulating quality projects - to determine additional funding, particularly under line 1.1.2 of table contained in decision 95/23 below	Government, resident representative and UNDP headquarters
B.5	Annual reporting for review and appropriate action by the Executive Board on assignments made	Administrator

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* Steps A.3 and A.4 may be carried out more than once.

161. The Executive Board adopted the following decision:

95/23. Successor programming arrangements

The Executive Board

I. PRINCIPLES FOR THE PROGRAMMING CYCLE 1/

1. Reaffirms the principles of eligibility of all recipient countries on the basis of the fundamental characteristics of the operational activities of the United Nations development system, which are, inter alia, universality, neutrality, multilateralism, the voluntary and grant nature of assistance and the capacity to respond to the needs of all recipient countries in accordance with their own policies and priorities for development; and in this context, recognizes the principles of United Nations Development Programme activities, which include progressivity, impartiality, transparency and predictability of flow of resources for all recipient countries, in particular, developing countries;

2. Stresses the need for a substantial increase in resources for operational activities for development on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries;

3. Recognizes that the development cooperation of the United Nations system requires flexibility and transparency for augmenting the availability of resources and efficiency in their allocation, and that the United Nations Development Programme continues to give priority to least developed countries and low-income countries, particularly in Africa, and utilizes the resources, consistent with decision 94/14, in support of and in accordance with the development priorities established by the recipient countries themselves, keeping in mind the need to create incentives so as to achieve greater impact and effectiveness of the programmes and projects of the United Nations Development Programme;

4. Decides to improve the focus and concentration of the programme activities of the United Nations Development Programme by implementing the three

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1/ Discussions leading to the adoption of the present decision were based on information made available to the Executive Board in documents DP/1994/20; DP/1994/39; DP/1994/59; DP/1995/3; DP/1995/15; and DP/1995/32.

goals and four priority areas specified in Executive Board decision 94/14, 2/ recognizing in particular that poverty elimination should be the central priority of the activities of the Programme, taking into account the further clarification and refinement of the role of the Programme as set out in decision 95/22 on the future of the United Nations Development Programme;

5. Emphasizes that national development priorities shall be the primary determinant of United Nations Development Programme-supported programmes, which must remain country driven; and that recipient Governments have the primary responsibility for the formulation of cooperation frameworks with the United Nations Development Programme;

6. Stresses the role of the United Nations Development Programme as a country-based operational programme, and in this context, stresses further the need to improve the operational function of the resident coordinator at the country level in close collaboration with the Government concerned, and to enhance the decentralization of authority to the field level in order to maximize the impact of the United Nations system in the development process;

II. MOBILIZATION OF RESOURCES

7. Decides to adopt for planning purposes the initial figure of $3.3 billion for core resources for the three-year period starting in 1997 and requests the Administrator to take all necessary measures to secure at least those estimated financial resources;

8. Stresses that increasing voluntary contributions to the core resources should remain the central effort of all donors, in particular traditional donors, and of the mobilization efforts of the Administrator, who should aim at widening the resource base, including by bringing in new donors as core contributors;

9. Also recognizes the importance of non-core resources, including cost-sharing and non-traditional sources of financing, as a mechanism to enhance the capacity and supplement the means of the United Nations Development Programme to achieve the goals and priorities as specified in decision 94/14;

10. Urges the Administrator to explore further non-traditional sources of financing, such as multilateral and regional banks and non-governmental organizations, in order to mobilize additional resources for the Programme;

2/ The three goals endorsed in decision 94/14 are: strengthening international cooperation for sustainable human development; helping the United Nations family to become a unified and powerful force for human development; and focusing United Nations Development Programme resources on making the maximum contribution in its programme countries to key sustainable human development dimensions.

The four areas endorsed in decision 94/14 are: poverty elimination, job creation, environmental regeneration and the advancement of women.

III. PROGRAMMING ARRANGEMENTS

11. Accepts in principle the three-year rolling planning scheme as proposed in document DP/1995/32;

12. Decides that the new country cooperation frameworks (country programmes) be developed by recipient Governments in consultation with the United Nations Development Programme and that they be submitted to the Executive Board for endorsement; also decides to consider further, at its first regular session 1996, the involvement of the Board in programming processes and procedures;

13. Recognizes the link between the cooperation frameworks and the national development plans and strategies of recipient countries, as well as with the country strategy note developed by interested countries, as a general framework for international cooperation for development, based on the fact that the Government has the primary responsibility for coordinating all types of assistance in accordance with national priorities and strategies;

14. Decides that the formulation of cooperation frameworks should be in accordance with General Assembly resolution 47/199 and in particular the emphasis on the programme approach, national execution and improved mechanisms for monitoring and evaluation;

IV. FINANCING MECHANISM

15. Decides to introduce a new, more flexible three-tier target for resource assignment from the core scheme for the allocation of resources to the country level;

16. Decides that criteria determining the eligibility for support from the United Nations Development Programme should be the same for all programmable core resources;

17. Endorses the earmarkings set out in the accompanying table 3/ for the United Nations Development Programme core resources;

18. Decides on the following basic guidelines for the allocation of resources under line 1.1.2 in paragraph 13 of the present decision:

(a) As indicated by the Administrator, a presumption that given the availability of good programmes, for initial planning purposes the amount

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3/ The individual shares of the total resources set out in the table will be applied to total available resources during the period 1997/1999, except for those in lines 2.1, 3.2, 4.1 and 4.2, which are subject to further deliberations in connection with the submission of the biennial budget estimates to the Executive Board at its third regular session 1995.

allocated to a country under line 1.1.2 will be roughly comparable in proportional terms (as indicated in the accompanying table) to what it receives under line 1.1.1;

(b) The process of resource allocation should be transparent and conform to the general poverty orientation reflected in the allocation to the low-income countries and the least developed countries contained in paragraph 24 of the present decision, as well as to reflect the same regional distribution as for line 1.1.1;

(c) The programming arrangements for line 1.1.1 and 1.1.2 will be the same;

(d) The need to ensure that countries with limited capacity for programme formulation benefit fully from line 1.1.2 by, inter alia, strengthening their capacity for programme design and implementation in order to enhance their access to this line;

(e) The need for countries with allocations of less than $300,000 annually under line 1.1.1 to retain a minimum critical mass of resources through allocations in line 1.1.2 that are in accordance with their eligibility for such resources;

(f) The importance of programme quality, including the degree to which programme proposals are aimed at promoting high-leverage activities in the sustainable human development focus areas contained in decision 94/14, particularly poverty elimination; and the enabling environment required for that objective;

(g) Assignments of resources under line 1.1.1 and line 1.1.2 will be dealt with simultaneously while recognizing the importance of ensuring that programmes financed under line 1.1.2 respond to national development programmes and strategies;

(h) The need to address special needs and opportunities for capacity-building that may emerge in individual countries;

(i) The need to promote policy dialogue on United Nations Development Programme resource allocation as well as to ensure close collaboration between Governments, resident representatives and the Programme in making resource allocation decisions;

(j) The need to develop increased capacity at all levels in the United Nations Development Programme for the management of programmes;

(k) The need to increase the authority of the resident representative to approve programmes and projects at the country level with the participation of the Government concerned, and the accountability of the resident representative for such projects and programmes;

	Earmarkings during fifth cycle $	Earmarkings during fifth cycle %	Proposed percentage earmarkings for next period %
		(millions)	
1.0 Programmes/projects			
Country			
1.1 Target for resource assignments from core (TRAC)			
1.1.1 Assigned immediately to countries	526	53.5	30.0
1.1.2 Assigned regionally for subsequent country application	-	-	20.0
1.1.3 Resources for development in countries in special situations	13	1.3	5.0
	539	54.8	55.0
Intercountry			
1.2 Regional	56	5.7	7.6
1.3 Global, interregional and special activities	25	2.5	4.2
	81	8.2	11.8
Other			
1.4 Evaluation	1	0.1	0.3
1.5 Special resources for TCDC activities	2	0.2	0.5
1.6 Resources for implementation	55	5.6	3.0
	58	5.9	3.8
Subtotal	678	68.9	70.6
2.0 Programme development and technical services			
2.1 UNDP programme support and development activities (PSDA)	33	3.3	3.0
2.2 United Nations systems support for policy and programme development (SPPD)	16	1.6	2.0
2.3 Technical support services from United Nations specialized agencies	11	1.1	1.6
2.4 Other	35	3.5	-
Subtotal	95	9.5	6.6
3.0 Support to United Nations system and aid coordination			
3.1 Programme support to the resident coordinator/aid coordinator	-	-	1.7
3.2 Support to United Nations operational activities	43	4.4	4.3
Subtotal	43	4.4	6.0
4.0 Biennial budget			
4.1 UNDP headquarters	70	7.1	6.8
4.2 UNDP country offices	100	10.1	10.0
Subtotal	170	17.2	16.8
Total	986	100.0	100.0

19. Decides to allocate an additional 0.5 per cent of total resources for the Europe and the Commonwealth of Independent States region, given the special needs of the countries with economies in transition. The resources required shall be obtained as follows: 0.2 per cent from line 1.2; 0.15 per cent from line 2.2; 0.15 per cent from line 2.3;

20. Authorizes the Administrator, taking note of conclusion 95/6 of the Programme and Budget Committee of the United Nations Industrial Development Organization at its eleventh session, to allocate an amount of $3 million for the year 1997, on a one-time, exceptional basis, to facilitate the smooth phase-out of the United Nations Development Programme funding for the UNIDO Country Director Programme and to enable the United Nations Industrial Development Organization to maintain its essential services in support of programme priorities of the United Nations Development Programme in the field during its 1996-1997 biennial budget cycle;

V. DISTRIBUTION OF RESOURCES

21. Approves the methodology for the distribution of resources for country programmes as described in paragraphs 74 and 75 of document DP/1995/32, including the following features, as indicated in section V of document DP/1995/32: gross national product per capita and total population, using existing weights and 1994 data (or latest estimates thereof); elimination of supplementary points; increased graduation thresholds; adjusted floors; 4/ and an appropriate bonus rate for least developed countries in line with the requirements mentioned in paragraph 24;

22. Takes note of the resource distribution set out in table 4, column 6 of document DP/1995/32, recognizing that these are preliminary estimates which will be updated using 1994 data; and requests that the final target for resource assignment from the core (TRAC) figures under line 1.1.1 for individual recipient countries be provided to the Executive Board at its first regular session 1996;

23. Decides that countries exceeding graduation thresholds during any year of the next cycle will continue to be recipients for a period of three years following that year and that their target for resource assignment from the core (TRAC) will be phased out progressively during those years;

24. Decides that the Administrator, as a goal, should ensure that 88 per cent of all targets for resource assignments from the core will be allocated to the low-income countries and 60 per cent to the least developed countries, and urges the Administrator to take account of these goals in all UNDP programme activities;

4/ These are 90 per cent for countries where gross national product per capita is less than $750; 80 per cent for countries where gross national product per capita is between $750-$1,500; 70 per cent for countries where gross national product per capita is between $1,500-$4,700; and 60 per cent for countries where gross national product per capita exceeds $4,700.

25. Authorizes the Administrator during the programming period, to revise authorized programming levels upwards or downwards on a proportionate basis, should estimates of resource availability exceed or fall short of the target set out in paragraph 7 of the present decision;

26. Requests the Administrator to report annually on the management of the programming arrangements and on the actual resource assignments made to each country to the Executive Board for appropriate action;

VI. EXECUTIVE BOARD REVIEW

27. Decides to apply the present decision during the period July 1995 through June 1997 for the programming of activities for the years 1997 onwards to enable the Administrator to implement the initiatives for change and support national endeavours towards poverty elimination and the achievement of sustainable human development;

28. Requests the Administrator to submit to the Executive Board at its annual session 1996 an interim report on the implementation of the programming arrangements. This report shall contain information on activities undertaken, the amount of financial resources involved, and the justification for activities undertaken under lines 1.1.2 and 1.1.3;

29. Decides to carry out a full-scale review of the introductory period July 1995 to June 1997 for the purpose of assessing experience and determining such changes as may be necessary to the successor programming arrangements.

16 June 1995

162. Following the adoption of decision 95/23, one delegation made a statement, emphasizing that for line 1.1.3 of the table contained in the decision, mandated activities under General Assembly resolutions for countries in special situations, and in particular, General Assembly resolution 49/21, should be taken into consideration.

VIII. UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

163. The Administrator introduced the report on the United Nations Development Fund for Women (UNIFEM) (DP/1995/16), and underlined the actions taken to strengthen programme, financial and managerial accountability with regard to UNIFEM while minimizing the anticipated financial shortfall. He was confident that, by undertaking strong management measures, UNIFEM was on a sound managerial footing as the Fourth World Conference on Women approached. The UNIFEM Consultative Committee had conveyed to him its support for a number of the proposed measures to put the Fund on a sound financial footing.

164. The predominant goal, the Administrator explained, was to eliminate the negative balance of general resources of UNIFEM by the end of 1997. The estimated shortfall had been revised downward since the second regular session

of the Executive Board, largely through UNIFEM having received a higher level of contributions than expected and as a result of beneficial foreign exchange fluctuations. The projected general resources deficit stood at about $3 million in 1995.

165. As elaborated in the report, the Administrator stated that the primary responsibility for the lack of managerial oversight rested with UNIFEM. No fraud, waste or abuse of UNIFEM funds had occurred. He recognized that UNDP could have been more assertive in overseeing the financial management of the Fund and noted that UNDP was formulating ways to enhance the financial management of all programme funds that would be shared with the Board.

166. Components of the strategy to address the financial situation of UNIFEM were elaborated, including suspension of pipeline projects, reductions of budgets for existing projects and for administrative and technical support costs, intensive resource mobilization and identification of projects for co-financing. Measures to ensure responsible oversight in programme, financial and administrative matters were also outlined. The Administrator asked the Executive Board to authorize UNIFEM to proceed with its programme based on reasonable projections; to suspend the requirement for the operational reserve until the Fund was on a sound financial footing; and to approve the overdraft facility UNDP would provide on an as-needed basis.

167. The Director of UNIFEM, in her opening remarks, stated that since the second regular session of the Executive Board, UNIFEM had made every effort to reduce expenditures. Information had been provided to members of the Board during informal consultations in May 1995. UNIFEM was now addressing a set of changes to restructure its programme and respond effectively to the needs of women while taking into account its mandate and its financial situation. The Director outlined measures being taken to cut administrative and programme costs. She explained that with regard to new projects, the ability of UNIFEM to respond to the outcome of the Fourth World Conference on Women would be crucial for its viability as an organization. The year 1995 thus presented opportunities that could not be missed for women in the developing world. The support of the Executive Board for the proposed line of credit and co-financing options would enable UNIFEM to undertake new activities to move the issues of women forward in a cost-effective way.

168. A draft decision was circulated at the outset of the discussion on the item. Many delegations said the draft presented a workable solution for the future of UNIFEM while some cited reservations based on certain aspects of the draft text.

169. Most delegations expressed support for the measures being undertaken by UNIFEM and UNDP to redress the management situation and said the proposed strategy offered assurances that a similar problem to the one experienced would not occur again.

170. Several delegations stressed that the accountability of individuals and the reasons for mismanagement and lack of oversight must be clarified. The matter would have to be reviewed at a future session of the Executive Board when the results of the ad hoc review committee were known. One delegation asked that

UNDP provide the Board with information on the control of other funds and programmes at its third regular session 1995.

171. One delegation, supported by others, stated that the delay with which the Executive Board had been provided information on the matter was serious. The documentation presented to the Board included information that the deficit was reported internally in August 1994, but the Board was informed only in April 1995.

172. A number of delegations referred to the positive performance of UNIFEM and hoped that the measures would enable the Fund to resume its necessary role in assisting women in developing countries. In that regard, several delegations announced that their Governments had increased their contributions to UNIFEM or intended to do so.

173. Delegations raised some reservations, as had the Board of Auditors, about a projected rise in income for UNIFEM, particularly in relation to anticipated administrative costs. While most delegations support the need of UNIFEM to undertake new activities following the Fourth World Conference on Women, one delegation cautioned that UNIFEM should not have the authority to begin new projects until the Executive Board was informed of positive results of the new measures.

174. Most delegations expressed support for the provision of an overdraft facility, with strict limits and controls, with some speakers noting reservations on the charging of interest for the use of the facility. Most also agreed that the requirement for an operational reserve should also be suspended. It was imperative that UNIFEM operate with full financing until it had been put on a sound financial footing. Co-financing opportunities, of an estimated $2 million in 1996, were also viewed favourably, with some delegations stressing that any UNDP involvement should be in line with the organization's priorities.

175. Other comments related to the need to reduce overhead in UNIFEM and the need to ensure that the outposting of the UNDP/DOF staff member to UNIFEM be temporary. One delegation asked for identification of the UNIFEM posts that were to be frozen.

176. Many delegations noted the key role of the external evaluation of UNIFEM, with some announcing that they were prepared to contribute financially to the exercise. It was asked that a report be submitted at the third regular session 1995 on the evaluation.

177. In response, the Administrator said income projections would be monitored and the Executive Board would be provided with progress reports. He also informed the Board that complete information on the extent of the situation had not been available in time to present it to the Board before the second regular session 1995. He assured the Board that the steps taken to delineate the respective responsibilities of UNIFEM and UNDP in finance and administration would prevent future problems.

178. The UNIFEM Director stated that significant de-commitments had taken place, severely affecting the work UNIFEM had aimed to carry out in many areas to

benefit women in developing countries and in the Fund's advocacy role. She noted that those components of the administrative budget which were flexible, such as travel and communications, had been reduced. There were various scenarios under discussion for the future of UNIFEM, including some based on income remaining at the 1995 level. However, she noted that options allowing for no new projects to be initiated would severely hamper the ability of the Fund to take advantage of opportunities presented by the Fourth World Conference on Women.

179. The Assistant Administrator and Director, Bureau for Finance and Administration, informed the Executive Board that the Administrator was fully accountable for UNIFEM, but managerial and financial responsibility had been delegated to the UNIFEM Director. As stated in the report, UNDP, as provider of central services to UNIFEM, should have been more proactive in addressing the financial situation of UNIFEM; however, that did not indicate in any way that UNIFEM had been regarded as a low priority.

180. The delegation of the United States informed the Board that, while it did not wish to block a decision, it could not join in the decision on UNIFEM for the reasons it had outlined during the discussion on the item.

181. The Executive Board adopted the following decision:

95/18. United Nations Development Fund for Women

The Executive Board

1. Authorizes the United Nations Development Fund for Women to proceed with its programme in keeping with the projections described in table 3 of document DP/1995/33 subject to the following conditions:

(a) Administrative expenditure should be reduced further to a level more consistent with its project activities while bearing in mind the need to retain a critical capacity for the Fund;

(b) Income projections should be kept under review and necessary steps should be taken and reported to the Board if the projections fall 10 per cent below the levels contained in table 3 of DP/1995/33;

(c) Effective financial and programme management procedures for both the United Nations Development Programme and the United Nations Development Fund for Women, including those recommended by the internal and external auditors, have been put in place as soon as possible and reported to the Executive Board not later than 1 January 1996;

2. Requests the Administrator of the United Nations Development Programme and the Director of the United Nations Development Fund for Women to implement the recommendations in the Management Letter of the Board of Auditors and to report on their implementation to the Board in the reports called for in paragraph 13 of the decision;

3. Also requests the Director of the United Nations Development Fund for Women to take personal charge of the periodic review of the financial statements identified in paragraph 59 of document DP/1995/33;

4. Authorizes the use of UNDP funds to cover, up to the limits specified in paragraph 5 below, the UNIFEM cash shortfall and requests the Administrator to establish for this purpose an overdraft facility for UNIFEM on the basis of the interfund accounts and to charge interest costs to UNIFEM for the use of this facility on a basis that will result in no gain or loss for UNDP;

5. Decides that this overdraft facility cannot be used for any new commitments incurred by UNIFEM after 1 January 1995, and that its utilization for prior commitments will be limited to the period 1995-1997, to a maximum drawdown of $4.5 million, with the proviso that the Administrator will report to it immediately if drawdowns exceed $3 million;

6. Suspends the requirements for the operational reserve until such time as it decides that the financial situation of UNIFEM is on a sound basis subject to the following conditions:

(a) That UNIFEM operates on a full funding basis for all new commitments incurred after 1 January 1995, ensuring that the total amount of these new commitments is to be covered from its own resources, while recognizing that at the same time it may draw down on the UNDP overdraft facility, as required, within the limits specified in paragraph four above, to cover financial obligations incurred prior to 1 January 1995;

(b) That UNIFEM continues to calculate and report to the Board a notional operational reserve in order to ensure financial transparency;

7. Views with concern the absence of a satisfactory and timely explanation of the way the operational reserve was drawn down during 1994 and requests the United Nations Development Programme and the United Nations Development Fund for Women to provide one as soon as possible;

8. Decides that neither partial funding authority nor the operational reserve mechanism will be restored to UNIFEM until relevant control mechanisms have been thoroughly reviewed and new procedures have been put in place that will ensure, inter alia, the accurate calculation and regular updating of reserve levels, and the establishment of a system to provide sufficient early warning of any possible future drawdowns on the reserve;

9. Requests the Administrator to explore possibilities for the assumption and/or co-financing of relevant UNIFEM projects by UNDP, within the plans and priorities of UNDP and recipient Governments;

10. Stresses the importance of establishing and maintaining a strengthened UNDP/UNIFEM interface, and requests the Administrator and the Director of UNIFEM to include information on this interface in their future reports to the Executive Board;

11. Endorses the Administrator's proposal to outpost one staff member from the UNDP Division of Finance to UNIFEM to assist in the monitoring of project funds and who will report to both UNDP/DOF and UNIFEM, without prejudice to the autonomy of UNIFEM, and without increasing UNIFEM administrative expenditures;

12. Requests the Administrator to bring its new Project Financial Management System online as soon as possible, incorporating enhancements to permit the recording of pipeline activity and shadow budgets, and calls for the Project Financial Management System to be established, at the earliest opportunity, as a common information system for both UNDP and UNIFEM, replacing the UNIFEM Budget Management System;

13. Also requests the Administrator to inform it of the measures taken once accountability for UNIFEM's current financial situation has been determined and of the steps taken to establish clear lines of accountability both within UNIFEM and between UNDP and UNIFEM;

14. Further requests the Administrator and the Director of UNIFEM to provide oral or written progress reports, as appropriate, on the implementation of the present decision to each session of the Executive Board in 1995 and 1996.

14 June 1995

IX. UNDP: TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

182. The Associate Administrator introduced the two reports submitted under this item: the report of the Administrator on technical cooperation among developing countries (DP/1995/36), which summarized activities during 1993-1994, and the report of the Ninth Session of the High-Level Committee on the Review of TCDC (New York, 30 May-2 June 1995) (DP/1995/L.5). The first document contained information on the new strategic direction undertaken by the Special Unit on TCDC and activities funded under Special Programme Resources, which had recently been the subject of an in-depth evaluation by outside consultants. The Associate Administrator then summarized the decisions adopted by the High-Level Committee, highlighting the review of the proposals on new directions for TCDC prepared by the Special Unit and the subsequent recommendations endorsed by the High-Level Committee.

183. The Rapporteur of the High-Level Committee read out the amendments to DP/1995/L.5 received following publication of the report. One delegation suggested additional amendments. The Rapporteur informed the Executive Board that the final report would be issued as a supplemental document to the fiftieth session of the General Assembly and thanked the Secretariat for its assistance during the High-Level Committee meeting.

184. The representative of the Philippines, on behalf of the Group of 77 and China, expressed strong support for the report of the High-Level Committee, cited the recent endorsement of TCDC modalities at international conferences as a boost to development efforts, and introduced amendments to the draft decision distributed to the Executive Board. Donors were thanked for their support. One delegation asked for information on the links between TCDC and national

technical cooperation. Several speakers welcomed the more strategic approach of UNDP in TCDC and the practical proposals endorsed by the High-Level Committee. Two delegations expressed reservations about the proposed amendments to the draft decision and suggested that further consultations be held.

185. The Executive Board adopted the following decision:

95/19. Technical cooperation among developing countries

The Executive Board

1. Endorses the New Directions for technical cooperation among developing countries as recommended by the High-level Committee on the Review of TCDC in accordance with General Assembly resolution 49/96;

2. Reaffirms the important role that the new directions for TCDC can play in increasing the use of both technical cooperation among developing countries and economic cooperation among developing countries as dynamic instruments for expanded South-South cooperation;

3. Welcomes the efforts of the United Nations Development Programme to promote a more strategic orientation for technical cooperation among developing countries activities by focusing the present programme on high-impact activities;

4. Invites the Administrator to take appropriate action with regard to the promotion and implementation of technical cooperation among developing countries activities pursuant to Economic and Social Council resolution 1992/41, which calls on all parties in the development effort to give the technical cooperation among developing countries option "first consideration" in technical cooperation activities;

5. Further invites the Administrator to ensure that the Special Unit for TCDC plays a proactive role within the United Nations system in an effort to expand the application of technical cooperation among developing countries and effectively implement the strategy for new directions for technical cooperation among developing countries while endeavouring to reduce the delivery cost of future programmes for technical cooperation among developing countries.

14 June 1995

X. UNITED NATIONS OFFICE FOR PROJECT SERVICES

186. The Executive Director of the United Nations Office for Project Services (UNOPS) introduced the report on the implementation of decisions 94/32 and 95/1 on the United Nations Office for Project Services (DP/1995/37). He noted that the report should be seen in conjunction with the annual report of the Administrator for 1994 (DP/1995/30/Add.1). The 1994 UNOPS annual report was also distributed.

187. He informed the Executive Board that following the approval of the UNOPS Financial Regulations by the Board in January 1995, work had been initiated to establish dedicated UNOPS Financial Rules. Moreover, UNOPS was undertaking the preparation of agreements between UNDP and UNOPS, in line with Regulation 5.3, and a risk analysis study with the United Nations Office of Legal Affairs, as suggested by the Advisory Committee on Administrative and Budgetary Questions. UNOPS had established the Procurement Review and Advisory Committee, which had resulted in a reduction of the average turn-around time required for the review of proposed procurement actions by 50 per cent. A task force had been set up between UNDP and UNOPS to prepare two agreements establishing a division of responsibilities and labour between the two organizations, which were expected to be finalized by the end of 1995. One defined the new relationship between the two organizations and the other the nature and extent of central services that UNDP would render to UNOPS.

188. Several delegations voiced their appreciation of the additional and updated information provided by UNOPS. One delegation requested that in the future UNOPS issue comprehensive annual reports, with analysis of problems faced or foreseen. Several delegations asked for comments on the viability of UNOPS in light of its recent transition. More information on financial rules and regulations and on procurement activities was sought.

189. The Executive Director informed the Executive Board that future reports to the Board would combine the elements concerning UNOPS that had, in the transitional year, been presented separately in the report of the Administrator and in the report of the Executive Director, and that the analytical elements of UNOPS reports would be strengthened. The UNOPS Financial Rules, expected to be finalized by the end of 1995, would be circulated in advance of their promulgation, with Executive Board members given 30 days to comment. The ratio between actual implementation and available project budgets for 1994 was considered satisfactory. The Executive Director noted that UNOPS had lost a certain amount of business owing to the uncertainty of its situation during the discussions on its future, with an estimated loss of some $100-150 million worth of business. While there was reason for concern as regarded the existing portfolio for 1996 and beyond, UNOPS was hopeful of attracting new and non-traditional business through United Nations agencies, an initiative that had so far garnered considerable interest owing to its recognized delivery capacity. UNOPS had established contacts with the United Nations Centre on Human Settlements with a view to cooperating in programmes that promoted sustainable human development, particularly at municipal levels. UNOPS was committed to giving prompt service for implementation and value for money while striving to lower its administrative costs. The Executive Director stated that he would keep the Executive Board informed as the various issues evolved.

190. The Executive Board took note of the report on the Office of Project Services (DP/1995/37).

XI. UNDP: HUMAN DEVELOPMENT REPORT

191. The Associate Administrator introduced the report on the Human Development Report (DP/1995/34). He informed the Executive Board that the 1995 Report had been completed and would be launched on 17 August 1995. An advance copy would be shared with Governments in early July 1995. He said that UNDP hoped that by supporting the production of a report that retained the essential element of editorial independence, a contribution to the debate on development issues could continue, without prejudice or predetermination of the character of the UNDP programme. A number of steps had been taken to structure the review process to enhance the accuracy and quality of the analysis as well as its intellectual integrity. The statistical accuracy of the Report had also been improved through work with international agencies who had responsibilities for standardizing and harmonizing international data sets. Three rounds of consultations with Member States had been held during the previous year. Advisory panels and peer reviews were also introduced.

192. Several delegations emphasized the importance and usefulness of the Human Development Report as a tool for furthering human development, particularly in its current context. Its role in determining trends in development was also noted. Several speakers underlined the need for its editorial independence. Others praised the increased transparency of the process and the increased accuracy of the Report. Several speakers cited the national attention in their countries to the Report, particularly when translated into the official language of that country. The Report garnered much favourable media attention.

193. Some speakers asked for more information regarding the consultations held during the previous year. One delegation stressed that the Executive Board should have a greater role in the finalization of the Report given UNDP funding of the Report and sought clarification on the status of funding of the Report by UNDP. The same delegation noted that it would have preferred that the Board adopt a decision reflecting the above instead of only taking note of the Report.

194. One delegation asked how the findings of the Report helped developing countries in practical terms, including assistance with programming and identification of problems. Information on the topics of future reports and summaries of the first five reports were requested.

195. Several delegations noted that the use of statistics in the Report had been strengthened and expressed support for the addition of a statistician to the Human Development Report Office.

196. The Associate Administrator detailed the consultative process leading up to publication of the 1995 Human Development Report. He explained that since the Report was not an intergovernmental document it did not need to be fully endorsed by an intergovernmental body. He informed the meeting that the two eminent consultants working in relation to the Report in 1995 were Ms. Margaret Catley-Carlsson, President of the Population Council and Professor Lincoln Chin, Director of Population and Development Studies at Harvard University.

197. The Director of the Human Development Report Office explained that the goal of the office was to build on past strengths and eliminate perceived weaknesses. Data was a principal area of preoccupation with a continuing process needed. Statistics and data were collected at the country level and a global effort was needed to improve indicators. Data used in the Report was the latest and most viable but weaknesses reflected differences at the country level.

198. The Executive Board took note of the report on the Human Development Report (DP/1995/34).

XII. OTHER MATTERS

A. HIV/AIDS

199. A representative proposed that an item on HIV/AIDS be discussed under other matters. Clarification was sought regarding the actions taken by UNDP to integrate its HIV and Development Programme into the Joint and Co-Sponsored United Nations Programme on HIV/AIDS (JCP/UNAIDS). UNDP was also asked to give details of cooperation between the 22 HIV and Development National Professional Officers (NPOs) and JCP/UNAIDS, as requested in decision 95/11 adopted at the second regular session 1995.

200. The Assistant Administrator and Director of the Bureau for Policy and Programme Support emphasized that UNDP had observed with great pleasure the progress made by the Executive Director of JCP/UNAIDS and his staff in preparing for the formal establishment of the programme on 1 January 1996. The Administrator had recently assumed the role of chairperson of the Committee of Co-Sponsoring Organizations (CCO). He explained that UNDP would be supporting the efforts of the Executive Director in a number of ways, including through meetings and regular contacts with him on matters relating to CCO and JCP/UNAIDS. A senior staff member had been seconded to assist the Executive Director in negotiating the support cost agreement with the World Health Organization and further staff would be seconded in consultation with the Executive Director. UNDP had encouraged resident coordinators to strengthen and establish thematic working groups on HIV and AIDS and to ensure their effective functioning; invited JCP/UNAIDS and its co-sponsors to attend UNDP training workshops; participated actively in global- and regional-level activities to develop a strategic plan of action for JCP/UNAIDS; and was working with staff of JCP/UNAIDS responsible for developing the programme's approach at country level. Moreover, UNDP had briefed all its partners from non-governmental organizations on the process of establishing JCP/UNAIDS and had kept its country offices and headquarters staff informed of developments in this area. UNDP was also working to strengthen the implementation of the United Nations HIV/AIDS personnel policy. Ongoing discussions with the Executive Director were being held on the future role and responsibilities of UNDP within JCP/UNAIDS.

201. UNDP had given high priority to strengthening its country offices to ensure an effective integration of responses to HIV/AIDS into the country programmes. The 22 NPOs had played an important role in this regard, providing back-stopping support within the country offices for all HIV and development programmes and

projects. Their work was highly significant since HIV/AIDS-related activities currently run at country level amounted to about $100 million.

202. Several delegations urged UNDP to ensure the integration of its activities in HIV and development into JCP/UNAIDS and to give its complete support to the new programme. The importance of decision 95/11 was underlined. One delegation urged that requests to donors for funding of HIV and development initiatives be coordinated through JCP/UNAIDS. Another speaker asked that UNDP ensure that linkage be made with JCP/UNAIDS in all future documentation on activities in HIV and development and that theme groups be set up immediately at the country level through the resident coordinator, where that had not already taken place. A request was made that the Assistant Administrator's statement on the topic be made available to the Executive Board. One delegation underlined the need for clarity on the role of UNDP in financing the new programme. It was requested that the item be discussed at the third regular session 1995, under the joint UNDP/UNFPA segment.

203. The Assistant Administrator explained that JCP/UNAIDS was in the midst of being established and a number of issues related to the more detailed interrelationship between JCP/UNAIDS and the six co-sponsoring agencies were still open. A Memorandum of Understanding was still being drafted. Discussions on the division of labour between JCP/UNAIDS and UNDP were still ongoing. A meeting with the Executive Director was planned for July 1995. Questions remained about the extent to which UNDP and other co-sponsors should contribute to the JCP/UNAIDS budget and how resource mobilization could be coordinated. Another important issue concerned programme activities at the country level and to what extent JCP/UNAIDS would be actively engaged in programme activities. UNDP was also open to discussing the role and mandate of its NPOs. In closing, the Assistant Administrator restated the firm commitment of UNDP to working consistently and in close cooperation with the new programme. UNDP fully recognized the central role of JCP/UNAIDS in the development of policy and the provision of technical guidelines and in the mobilizing and coordinating of the network of United Nations bodies responding to the epidemic. The organization would continue to work within this framework in all its activities.

B. Change of name of the United Nations Sudano-Sahelian Office

204. Further to its decision 95/6 of 13 January 1995, the Executive Board took note of the change in name of the United Nations Sudano-Sahelian Office to the Office to Combat Desertification and Drought. The change had followed consultation with interested parties, including the United Nations Environment Programme. The acronym, UNSO, would be kept for use in all languages. The General Assembly would be informed of the change of name through the report of the Executive Board to the Economic and Social Council.

C. Conclusion of the session

205. The Executive Board concluded its work by adopting the following decision:

95/24. Overview of decisions adopted by the Executive Board at its annual session 1995

The Executive Board

Recalls that during its annual session 1995 it:

ITEM 1: ORGANIZATIONAL MATTERS

Approved the agenda and work plan for its annual session 1995 (DP/1995/L.3);

Approved the report of the second regular session 1995 (DP/1995/16);

Approved the following schedule of future sessions of the Executive Board subject to the approval of the Committee on Conferences:

Third regular session 1995: 11-15 September 1995

First regular session 1996: 16-19 January 1996

Second regular session 1996: 25-29 March 1996

Annual session 1996: June 1996

Third regular session 1996: 9-13 September 1996

Agreed to the subjects to be discussed at these sessions as listed in the annex;

ITEM 2: UNFPA: REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-LEVEL ACTIVITIES

Took note of the annual report of the Executive Director for 1994 (DP/1995/24/Part I);

Adopted decision 95/14 of 8 June 1995 on the implementation of decision 94/25: Assistance to Rwanda;

Adopted decision 95/15 of 14 June 1995 on programme priorities and future directions of UNFPA in light of the International Conference on Population and Development;

Adopted decision 95/16 of 8 June 1995 on UNFPA work plan for 1996-1999 and request for programme expenditure authority;

Adopted decision 95/20 of 14 June 1995 on UNFPA: Institutional arrangements;

Adopted decision 95/21 of 14 June 1995 on the Global Initiative on Contraceptive Requirements and Logistics Management Needs in Developing Countries in the 1990s;

Took note of the report on the status of financial implementation of country programmes and projects (DP/1995/27);

ITEM 3: UNFPA COUNTRY PROGRAMMES

Approved the increased funding authority for the country programme for Namibia (DP/1995/28);

ITEM 4: UNDP and UNFPA: REPORTS TO THE ECONOMIC AND SOCIAL COUNCIL

Adopted decision 95/17 of 8 June 1995 on UNFPA/UNDP reports to the Economic and Social Council: Follow-up to General Assembly resolution 47/199;

Took note of the report of the Executive Director of UNFPA (DP/1995/24/Part III) and the report of the Administrator of UNDP (DP/1995/30/Add.3) on follow-up to the International Conference on Population and Development and to the World Summit on Social Development and decided to transmit them, together with the comments of the Board, to the Economic and Social Council;

ITEM 5: UNDP/UNFPA: HARMONIZATION OF PRESENTATION OF BUDGETS AND ACCOUNTS

Took note of the UNDP/UNFPA report on harmonization of presentation of budgets and accounts with the comments made therein (DP/1995/29);

ITEM 6: UNDP: ANNUAL REPORT OF THE ADMINISTRATOR AND RELATED MATTERS

Took note of the annual report of the Administrator for 1994: introduction (DP/1995/30); main programme record (DP/1995/30/Add.1); statistical annex (DP/1995/30/Add.2); reports of the Joint Inspection Unit of interest to UNDP (DP/1995/30/Add.4); and subcontracts awarded and major equipment ordered (DP/1995/30/Add.5);

Took note of the report on the role of UNDP in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (DP/1995/35);

ITEM 7: FUTURE OF UNDP: IMPLEMENTATION OF DECISION 94/14

Adopted decision 95/22 of 16 June 1995 on Initiatives for change;

ITEM 8: UNDP: MATTERS RELATING TO THE PROGRAMMING CYCLES

Adopted decision 95/23 of 16 June 1995 on the successor programming arrangements;

ITEM 9: UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

Adopted decision 95/18 of 14 June 1995 on the United Nations Development Fund for Women;

ITEM 10: UNDP: TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

Adopted decision 95/19 of 14 June 1995 on technical cooperation among developing countries;

Took note of the report of the High-Level Committee on the Review of Technical Cooperation among Developing Countries on the work of its ninth session (DP/1995/L.5);

ITEM 11: UNITED NATIONS OFFICE FOR PROJECT SERVICES

Took note of the report on the United Nations Office for Project Services (DP/1995/37);

ITEM 12: HUMAN DEVELOPMENT REPORT

Took note of the report on the Human Development Report (DP/1995/34);

ITEM 13: OTHER MATTERS

Took note of the change of name from the United Nations Sudano-Sahelian Office to "Office to Combat Desertification and Drought" while keeping the acronym "UNSO" in all languages.

16 June 1995

Annex

ALLOCATION OF SUBJECTS FOR FUTURE SESSIONS

The following subjects are scheduled to be considered at future sessions:

Third regular session (11-15 September 1995)

Item 1. Organizational matters (including follow-up to the substantive session of the Economic and Social Council)

UNFPA segment

Item 2. Report on the implementation of UNFPA successor support cost arrangements

Item 3. Global Initiative on Contraceptive Requirements

Item 4. Intercountry and country programmes

- Intercountry programme
- Country programmes

Item 5. Financial and budgetary matters

- Annual financial review, 1994
- Biennial budget proposals for 1996-1997
- Report of ACABQ on budget estimates

UNFPA/UNDP joint segment

Item 6. UNDP/UNFPA: Field visits 1995

Item 7. HIV/AIDS

UNDP segment

Item 8. Country programmes and related matters

- Mid-term reviews of regional programmes
- First country programme for Azerbaijan
- First country programme for Russia
- Fifth country programme for Haiti
- Fifth country programme for Rwanda: Note by the Administrator
- Fifth country programme for Burundi: Note by the Administrator

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Item 9. Matters relating to the programming cycles

- Haiti's development needs and activities (95/4, para. 2)

Item 10. Agency support costs (91/32)

Item 11. Financial and budgetary matters

- Annual review of the financial situation 1994 (95/3, para. 7)
- Revised budget estimates for the 1994-1995 biennium and budget estimates for the 1996-1997 biennium
- Report of ACABQ on the budget estimates
- Audited accounts and audit reports of the executing agencies as at 31 December 1993
- Audit reports: Summary of significant observations of the external auditors of the executing agencies on the 1993 account relating to funds allocated to them by UNDP

Item 12. Procurement from developing countries

Item 13. United Nations system regular and extrabudgetary technical cooperation expenditures

Item 14. United Nations Development Fund for Women

Item 15. Other matters

First regular session (16-19 January 1996)

- Organizational matters (including election of Bureau and rules of procedure)

UNDP segment

- Matters relating to the programming cycles
- Initiatives for change: Follow-up to decision 95/22
- Country programmes and related matters
- United Nations technical cooperation activities
- Proposed revisions to UNDP financial regulations and rules related to support cost arrangements

UNDP/UNFPA joint segment

- Follow-up to and preparations for the Economic and Social Council
- Harmonization of presentation of budgets and accounts (94/30)

UNFPA segment

- Strategy for allocation of UNFPA resources
- Future role of UNFPA regarding contraceptive requirements and logistics management needs
- Draft mission statement of UNFPA
- Background note on possible membership of the UNDP/UNFPA Executive Board in the UNICEF/WHO Joint Committee on Health Policy
- Country programme and related matters

Second regular session (25-29 March 1996)

- Organizational matters

UNFPA segment

- Country programmes

UNFPA/UNDP segment

UNDP segment

- Country programmes and related matters
- Evaluation
- United Nations Volunteers

Annual session (June 1996)

- Organizational matters

UNDP segment

- Annual report of the Administrator and related matters
- Matters relating to the programming cycles

UNDP/UNFPA segment

- Reports to the Economic and Social Council

UNFPA segment

- Report of the Executive Director and programme-level activities
- Report on the implementation of the International Conference on Population and Development (part of annual report)
- Periodic report on evaluation
- Work plan
- Status of financial implementation of country programmes and projects

Third regular session (9-13 September 1996)

- Organizational matters

UNFPA segment

UNFPA/UNDP segment

- Reports on field visits

UNDP segment

- Matters relating to programming cycles
- Country programmes and related matters
- Agency support costs
- Financial and budgetary matters